



Testimony for the New York State Senate Finance and Assembly Ways and Means Committees
Joint Legislative Budget Hearing ~ Housing

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On behalf of Zillow, I write to express our support for the State's continued commitment to addressing the New York housing affordability crisis, including measures highlighted in Governor Hochul's proposed State Fiscal Year (SFY) 2026 Executive Budget.

Zillow was founded to bring transparency to the real estate market, empowering consumers to make more informed decisions in what is often the most significant financial transaction of their lives. We achieve this vision by offering innovative products and services, "turning on the lights" for consumers and policymakers with [industry-leading economic research](#), and [advocating for effective housing policies](#) that make it easier for consumers to find and move into the home that is right for them.

New York renters and prospective homebuyers continue to face a severe housing affordability crisis due to high upfront costs, insufficient housing supply, and friction in the process of finding and securing a home. A December 2024 [Zillow analysis](#) shows that typical monthly mortgage payments in the New York City metro area have grown by 91% to \$3,500 since before the pandemic (December 2019). During the same time period, typical rent has increased 26% to \$3,177.

Due to skyrocketing home prices in New York State, a typical homebuyer in today's market faces a mortgage payment that is 95% greater than what he or she would have faced before the pandemic. In Buffalo, Zillow's #1 Hottest Housing Market for 2024 and 2025, the typical monthly mortgage payment has increased a staggering 115% since before the pandemic to \$1,335. Rents have also jumped 41% in that same period to \$1,325.

High Upfront Costs

Upfront housing costs, such as broker fees and security deposits for renters and down payment and closing costs for homeowners, can put acquiring safe, decent, and affordable housing out of reach for many New York households.

We applaud Governor Hochul for including \$50 million in the executive budget to support New York's first-time homeowners with down payment assistance. We call on the Governor and Legislature to use these resources to support the [HOME Act](#), which establishes the New York State First Home Grant Program and provides \$10,000 to any first-time homebuyer for costs associated with acquiring a residence. With average rents and mortgage payments being similar in upstate cities like Buffalo, this financial assistance could make the difference between a household being a renter for life versus having the opportunity to become a homeowner.

For years, New York City renters have faced significant upfront costs as a requirement to move into a new apartment. [In 2024, the average upfront cost to move into an apartment with a broker fee was \\$12,951](#) - a record-breaking high equivalent to 17% of the city's median household income of \$76,577, according to the U.S. Census Bureau's most recent [American Community Survey](#). Unlike most other cities across the country,

New York City renters often pay a “broker fee” for the cost of services provided by a real estate agent to the landlord, even if the tenant did not engage or hire the agent or broker to assist them with their rental housing search.

In December 2024, New York City Council Intro 360-A, also known as the [Fairness in Apartment Rental Expenses \(FARE\) Act](#), was enacted into law. The FARE Act requires the party hiring the broker to be responsible for paying the broker. The success of this policy will make a significant difference in New York City; but it does not address the needs of renters in the rest of the state who are vulnerable to the continued requirement to pay broker fees for services they did not want or hire.

Zillow supports statewide policies that would require tenants to pay a real estate agent only when the tenant hires the agent to represent them in a residential rental transaction, as found in [A5499](#), which will provide renters with significant financial relief on upfront rental costs.

Insufficient Housing Supply

Adopting zoning laws and tax incentive programs can encourage and bolster housing development across income brackets, especially in hard-to-develop areas, including ADU/basement apartment conversion and commercial-to-residential conversion.

According to a joint report recently released by StreetEasy and Tech:NYC entitled [Affording an Apartment in NYC is a Challenge - Even for Tech Workers](#), targeted zoning reforms that allow for new housing in underutilized lots near mass transit routes in NYC’s outer boroughs would unlock opportunities to create up to 1.1 million more homes. A joint playbook by Zillow and the Casita Coalition entitled [Build the Middle](#) includes measures found in communities across the country and internationally to empower advocates, policymakers, and community leaders in addressing the low housing supply and expanding housing choices.

We applaud Governor Hochul for putting forth policies to increase the state’s housing supply. Collectively, these investments represent a balanced approach to meet the range of housing needs across the state, including resources to assist pro-housing communities with critical infrastructure projects, to incentivize building more starter and modular homes, and to spur development of rental housing statewide.

Friction in the Process

From our founding, Zillow’s [Zestimate](#), an estimated market value of a home based on public and user-submitted data, has equipped consumers with information that can serve as a starting point for estimating their home’s value. Research shows that appraisal bias has stripped hundreds of thousands of dollars in wealth from homeowners, particularly owners of color, when their homes are assigned a lower fair market value relative to comparable homes. Combating appraisal bias is an important effort in addressing discrimination in wealth creation and building in real estate.

We commend Governor Hochul for taking action to address discrimination that exists in the appraisal process and call on her to restore the \$2 million cut from the Fair Housing Testing, Education, and Networking Program (FHTP) administered by New York State Homes and Community Renewal, allocating a total of \$4 million in the budget. These resources would support the ongoing housing work of a statewide coalition of fair housing organizations, deepen this critical work in rural and peripheral areas of these organizations’ service areas, and expand the program’s parameters to allow for a broader range of services not tied to fair housing testing. Despite source of income discrimination being illegal in New York state since 2019, this form of discrimination unfortunately still occurs.

In coalition with housing organizations advocating to make rental assistance more efficient, we request that Governor Hochul and the Legislature add \$47.3 million in annual funding to the enacted budget to create a national model for rental assistance utilization. The components of this initiative would fund statewide housing navigation and aftercare support services, owner incentives, funding to pilot streamlining efficiencies, and training.

In closing, the proposals in the SFY 2026 budget are important steps toward increasing housing supply, alleviating some of the financial burden on consumers in the housing market, and supporting homeowners and tenants statewide. We encourage the executive and legislature to invest in real solutions that will continue to move the dial in addressing New York's housing crisis.

We look forward to engaging in these important conversations in the months ahead.

Sincerely,

Lorraine Y. Collins
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