



Message from the CEO of Bronx-Manhattan North Association of Realtors: New rent laws - by Eliezer Rodriguez

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New Rent Laws – What Happens Now?

On Friday, June 14th, 2019, governor Cuomo signed the Housing Stability and Tenant Protection Act of 2019. In subsequent days, changes to the legislation were also signed by the governor.

The new rent laws are bound to give rise to legal challenges and will affect more than its intended target—property owners. The changes are too many to detail in a short article. You are encouraged to avail yourself of all the changes. Here is a snapshot of a few changes that will hinder property owners from renovating their properties or purchasing others.

Previously, when owners made a major capital improvements (MCI) to buildings subject to rent stabilization or rent control laws, they could apply to the Division of Housing and Community Renewal to raise a tenant's rent by up to 6% in New York City, and 15% in other counties. This is no longer the case. Landlords can only raise the rent by up to 2%. Moreover, qualifying for a MCI was made tougher and rent increases expire after 30 years. Rent increases due to individual apartment improvements also expire after 30 years and are capped at \$15,000 over a 15-year period.

Prior to the legislation, when the rent exceeded \$2,774.76, and the tenant's income was over \$200,000 in the prior two years, the unit became deregulated when it became vacant. The high-income and high-rent deregulation provisions were eliminated. The vacancy bonus that allowed landlords to raise the rent by as much as 20% when the unit becomes vacant was eliminated. Also eliminated was the longevity bonus, which allowed the landlord to raise the rent based on the amount of time the previous tenant rented the apartment.

It's unfair to drastically change the rent laws to penalize the property owners for maintaining their properties and providing their tenants with quality service. The Housing Stability and Tenant Protection Act of 2019 is simply unjust to property owners. On July 15th, 2019, the Rent Stabilization Association (RSA) and the Community Housing Improvement Program (CHIP) filed a lawsuit in the United States District Court for the Eastern District of New York. The law suit is challenging the constitutionality of the State's Rent Stabilization Law (RSL) and arguing that the RSL, as recently amended, violates the Due Process and Takings clauses of the United States Constitution. We will be following this law suit closely.

On August 7, 2019, The Bronx Manhattan North Association of Realtors (BMNAR) and the Hudson

Gateway Association of Realtors (HGAR) will be hosting a panel discussion entitled, "New Rent Laws—What happens now?" The panel discussion will take place at the Hutchinson Metro Center, Bronx, NY, from 9 to 11:00 a.m. I realize by the time this article appears in print it may be too late to attend the panel discussion. It is my hope you would have seen the advertisements on social media and were able to attend. If not, feel free to email me at e.rodriquezesq@bmar.org and I will send you a copy of the handouts.

For more information about BMNAR or future events, don't hesitate to contact me and remember – "There is no place like home."

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