



Too much, too far, too fast - by Ed Kalikow

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The decision to modify New York City's rent laws had good intentions. They say that's what the road to hell is paved with.

There's no denying the system needed an overhaul. Bad landlords had figured out ways to abuse the system and take advantage of tenants, engaging in illegal behavior to push out rent regulated occupants in the pursuit of larger profits.

Just like a building, actions could have been taken to strategically remove these bad actors and preserve the parts of the rent stabilization framework that was worth saving.

Instead, the Legislature levelled the building.

These new laws are onerous and overbroad – and perhaps even unconstitutional, such as the retroactive decrease in the amount of MCI that can be collected from a tenant back to 2012. Is the Legislature saying that nearly every rent in the city should be challenged? That landlords should be fined?

Under these new laws, landlords are completely disincentivized from improving their properties and will surely result in a precipitous drop in their physical and financial value. Deferred maintenance will skyrocket; landlords simply won't have the funds to keep up with repairs to elevators and common areas, much less, make improvements such as lighting that uses less energy or installing smart, renewable or environmentally friendly technologies.

As tenants flee declining buildings, we'll see local businesses suffer, too. The neighborhood corner store, the dry cleaner and the restaurant will all be the collateral damage of an ill-informed legislative decision, and likely require corrective action down the road.

Landlords may look to sell their buildings – but to whom? The inability to raise rents will result in a significant drop in value of apartment properties, putting many buildings' mortgages underwater. I'm not sure who would want to take over a rent-stabilized property in this environment. The city has

eliminated any potential upside.

And this is just the start.

We take pride in maintaining our buildings, as do most landlords. Now we've had to tell maintenance contractors who handle building renovations to stand down; as a result, they've laid off six people. Did the Legislature consider that when they were voting?

We don't like any of this. It's not good for our economy or for anyone who does business in New York. And after putting out the "closed for business" sign when elected leaders bungled the Amazon deal, we can't afford any more missteps.

There's another irony: As the mayor is reeling from his own NYCHA debacle, the legislature has created a recipe for a similar disaster with private housing. If the mayor really wanted to expand affordable housing, he could have freed up thousands of units by establishing a needs-based test to root out fraud in the system. (Surprise: Not everyone living in rent-stabilized housing needs to be paying a below-market rent.) We'd rather see the rent-stabilized housing be provided for tenants who need it; allowing the landlords to raise rents under controlled conditions to keep buildings in a good state of repair and make them valuable housing. As a private landlord, I don't mind contributing my share to help someone in need, but don't make me subsidize people who are abusing the system.

It's far easier to paint all landlords as greedy villains than actually fix a real problem.

Many in our community are talking about pulling up stakes and taking their dollars to invest elsewhere in the country where laws are not as onerous. We've seen it coming – and have been investing in and building properties throughout the southeast United States for the last fifteen years. Those communities are thriving, with a confluence of housing, jobs and quality of life all in one place. Maybe New York could learn something from them.

New York tenant advocates may be cheering now, but we all may be regretting their victory later.

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