



BOMA NY opposes proposed commercial rent control legislation

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New York, NY On Friday September 17th, at a meeting of the New York City Council's Committee on Small Business – the commercial real estate industry stood united in opposition to the proposed commercial rent control legislation. BOMA New York collaborated with many partner organizations, including the Queens Chamber of Commerce, the New Bronx Chamber of Commerce, the Grand Central Partnership, the East Midtown Partnership, the Council of New York Cooperatives and Condominiums (CNYC), the Real Estate Board of New York, and the Community Housing Improvement Program, to make sure that the real estate industry was well represented at the council meeting. As a result, dozens of people from the CRE industry testified in opposition to both proposed bills.

Intro Number 1796 would establish a system of commercial rent control by setting up a Commercial Rent Guidelines Board that would determine how much rent could be increased each year under certain commercial leases.

Intro Number 2291 would provide several tenant rights, including, in some circumstances, an automatic one-year lease extension at the request of the tenant.

BOMA New York led the opposition effort against the proposed regulations with a testimony by Hani Salama, BOMA New York chair and CEO. Salama contended that the laws are illegal and that Intro 1796 would set up unnecessary and counter-productive rent control policies. The following is a partial snippet of Salama's testimony.

"BOMA New York strongly opposes both Intro 1796 and Intro 2291. We encourage the council in the strongest terms not to pass these bills, which are not legally viable, would not create good policies for protecting small businesses, and are not necessary.

First, the council does not have the authority to regulate commercial rent. The New York State Bar Association determined as much in their 2018 "Report on Legislation by the Committee on Real Property Law." In a summary section titled "New York City is not authorized to enact legislation tantamount to rent controls," the committee found that the council could not enact commercial rent control via either its "general powers with respect to the property, affairs or government" or its

“health and welfare powers.

Next, neither of these laws creates policy approaches that would substantially help small businesses, especially at this time, but also in general, and therefore they are unnecessary. The council should look at other approaches to helping small businesses that are both within its legal jurisdiction and directly solve the problems those businesses face.

BOMA New York would be more than happy to work with the city and other stakeholders to identify and help implement such policies in the future.”

BOMA NY board member and office building owner, Laura Belt-Ponomarev submitted a testimony that specified how Intro 1796 would negatively and unnecessarily impact her business as a building owner. In her absence, board member and BOMA New York former president, Ron Zeccardi, read Belt-Ponomarev’s testimony into the record.

BOMA New York will continue to be at the table, advocating for the commercial real estate industry, and will combat any proposed legislation that regulates commercial rent.

It’s important to make your voices heard. We encourage you to contact your New York City council members to tell them why commercial rent control will be detrimental to small business owners, landlords, homeowners, and New York City’s overall vitality. Find your council member by visiting <https://council.nyc.gov/districts/>.

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