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

MEMORANDUM IN OPPOSITION

Part F of A.3009-B
Status: Assembly One-House Budget

Date: March 2025
Contact: Michael Kelly

The New York State Association of REALTORS® **opposes** Part F of the Assembly One House Revenue Bill, which would establish a $5 million threshold for the creation of a waiting period before "institutional investors" could make offers to purchase 1-2 family residential homes in the state. NYSAR believes the threshold of $5 million is too low and would capture smaller, "mom-and-pop" investors that would typically not be considered institutional investors.

NYSAR appreciates efforts to ensure that homeownership is accessible and affordable to individuals and families who are otherwise not investors. At the same time, we have concerns with the ability of home sellers looking to recoup value for their properties, particularly in a housing market where residential sales activity is very low. Preventing institutional investors with asset levels as low as $5 million from placing offers on properties for 3 months would harm sellers. Properties that go unsold for long periods of time tend to lose value and sell at lower prices, which would harm property owners. The $5 million threshold is especially problematic in high-cost real estate markets, such as New York City, where the median home price is $850,000. For example, an institutional investor could hold fewer than 10 properties with an average value of $850,000 in New York City and fall within the proposed definition of institutional investor.

NYSAR also opposes Subpart C of Part F, which would automatically enroll property owners in cease-and-desist zones, rather than require property owners to request inclusion in a zone once established. We believe this ban on commercial speech within cease-and-desist zones would be an unconstitutional violation of 1st amendment rights. In *New York State Association of REALTORS® v. Shaffer (1994)*, the court ruled that a community-wide ban on all real estate solicitations was more extensive than necessary and violated the free speech rights of REALTORS®. Consequently, legislative language to include all residents within any newly established cease-and-desist zone, without the request of these residents would be equally, if not more extensive than necessary to achieve any stated goal of eliminating intense and repeated solicitation.

NYSAR continues to oppose the establishment of cease-and-desist zones on the grounds that they apply to real estate licensees but do not apply to unlicensed solicitors, who are often the parties violating these rules. Consequently, cease-and-desist zones are ineffective at stopping intense and repeated solicitation, while punishing REALTORS® and other licensed brokers and agents who engage in legitimate and ethical business practices to help their consumers & clients.

For these reasons, **NYSAR opposes Part F of A.3009-B** and encourages its exclusion from the enacted State Budget.

Jacqlene Rose President | **Ron Garafalo** President-Elect | **Dan Staley** Treasurer | **Joe Rivellino** Immediate Past President | **Duncan R. MacKenzie** Chief Executive Officer

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The New York State Association of REALTORS® is a not-for-profit trade organization representing more than 61,000 of New York State's real estate professionals. The term REALTOR® is a registered trademark, which identifies real estate professionals who subscribe to a strict code of ethics as members of the National Association of REALTORS®. These REALTORS® are also members of the New York State Association of REALTORS® as well as their local board or association of REALTORS®.

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