New York State Association of REALTORS®, Inc.

New York State Association of REALTORS®, Inc.
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MEMORANDUM IN OPPOSITION

A.342-A by Assemblymember Catalina Cruz
Status: Assembly Ways and Means Committee

S.574-A by Senator Julia Salazar
Status: Senate Cities 1 Committee

Date: May 2026
Contact: Michael Kelly

The New York State Association of REALTORS® (NYSAR), Inc. **strongly opposes** the above referenced legislation, which would impose real estate transfer taxes of up to 65 percent on properties that are transferred or "flipped" within two years of the original purchase, within New York City. This legislation would deter gut renovations and increase housing vacancies amid a severe housing shortage which shows no signs of abating.

Under the proposed legislation, residential properties with one-to-three units within New York City sold or "flipped" within one year of the original purchase or conveyance would be subject to an additional 65 percent real estate transfer tax to be paid by the seller. If that same property is sold or "flipped" after one year but less than two years, the additional real estate transfer tax would be 50 percent.

These punitive taxes would apply to all buyers except for family members, not just wealthy buyers. Many investors willing to incur the taxes proposed by this bill would see losses, as the proposed tax would be imposed on the difference between the new sales prices and the most recent sales prices. Thus, the bill would encourage cheap renovations, that would harm the eventual buyer of the renovated home.

Additionally, the 2-year waiting period to be exempt from the tax would encourage investors to let these housing units sit vacant for that period. New York City's housing shortage is well known and increasing evidence points to an alarming rise in vacancies. This bill would exacerbate the housing shortage with its perverse incentives, leading to more vacancies and discouraging reinvestment in aging properties.

NYSAR opposes real estate transfer taxes at all levels of government, regardless of their purpose. These taxes make home buying more costly, placing a large fiscal burden on a narrow portion of the population for programs that benefit entire communities. Adding yet another real estate transfer tax to the existing state transfer taxes and mortgage recording taxes will increase New York's closing costs, already among the highest in the nation, making homeownership less affordable particularly for first-time buyers. State and local governments should consider legislation that reduces taxes, and encourages homeownership and economic development, rather than further exacerbating the problem by imposing more taxes.

For these reasons, the New York State Association of REALTORS®, Inc. strongly urges disapproval of **A.342-A(Cruz)/S.574-A(Salazar).**

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

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