New York State Association of REALTORS®, Inc.

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MEMORANDUM IN OPPOSITION

S.4659-C by Senator Brian Kavanagh
Status: Senate Finance Committee

A.4877-C by Assemblymember Sarahana Shrestha
Status: Assembly Rules Committee

Date: May 2026
Contact: Michael Kelly

The New York State Association of REALTORS® (NYSAR), Inc. **strongly opposes S.4659-C (Kavanagh)/A.4877-C (Shrestha),** also known as the "Rent Emergency Stabilization for Tenants" (REST) Act. This legislation would change existing law and processes for the sole purpose of enabling municipalities outside of New York City to opt-in to a system of rent stabilization that has helped create and perpetuate the current housing crisis by reducing investment and restricting supply. NYSAR opposes all forms of rent control, including rent stabilization, as decades of economic research have repeatedly documented its harmful effects on municipalities, property owners, housing mobility and housing supply.

The REST Act would establish an alternative process for cities, towns and villages in the state to declare housing emergencies and have local governments – via rent guidelines boards – set annual rent increases on market rate rental units within a municipality's boundaries. In recent years, several municipalities in the Hudson Valley and Upstate New York have failed to meet the requirement in current law that a housing emergency may only be declared after a housing survey produces a vacancy rate of 5 percent or less. This standard has been in place since the creation of the 1974 Emergency Tenant Protection Act (ETPA), which initially applied to New York City, Westchester, Rockland and Nassau counties. In 2019, the Housing Stability and Tenant Protection Act expanded this option to all cities, towns and villages in the state.

This bill suggests that because municipalities throughout the state are not meeting the established standard of a vacancy rate of 5 percent or less, the process for declaring a housing emergency should be changed. Furthermore, in giving municipalities a work-around to declare a housing emergency, this legislation doesn't even offer a clear standard. Under the bill's language, a municipality could have a vacancy rate of 10 percent, but decide that because there's a shortage of affordable housing, it should opt-in to rent stabilization. That does nothing to help address the root of the housing shortage. In fact, expanding rent stabilization would exacerbate it.

This bill fails to offer any viable solutions to the housing crisis – a crisis which is most severe in New York City, the locality which has had rent stabilization in place for over 50 years. Why would any developer want to build and manage market rate or affordable housing, if in 15 years they would lose control of the ability to set their own rent rates? Mortgages are typically 15 or 30 years, so a developer's portfolio would have to reflect the increased costs and decreased income associated with rent stabilization halfway through a 30-year mortgage, and the owner would lose substantial value if selling the property after 15 years. Maintenance costs would be rising due to normal wear and tear, and revenues would likely

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be restricted by rent stabilization. This would lead to reduced or deferred maintenance and a decline in property values and tax revenues.

The persistence of the housing crisis requires solutions that create more affordable and market rate housing. This bill fails to offer that and ignores decades of economic research showing the negative effects of rent control/stabilization. NYSAR strongly opposes **the REST Act (S.4659-C/A.4877-C)** in any form and urges its defeat.

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