



SPONY

THE SMALL PROPERTY OWNERS OF NEW YORK

Albany's Tenant-First Bills Overlook NYC's Small Property Owners

New York's state legislators often champion tenant protections as essential to combating the city's housing crisis. But a recent wave of "tenant-first" legislation reveals a troubling blind spot: the substantial harm inflicted on small property owners who form the backbone of New York City's affordable housing market.

Consider **Senate Bill S7633B**, which expands tenants' rights to claim rent abatements for housing code violations. While ensuring tenant safety is paramount, this bill ignores practical realities small owners face. With supply chain disruptions, bureaucratic inspection delays, and skyrocketing repair costs, many small landlords will inevitably struggle to promptly address minor violations. Retroactive abatements could deprive owners of months of rent—even over minor infractions—pushing already thin margins to a breaking point.

Critically, the bill fails to address crucial issues:

- How will tenant-created conditions or a tenant's refusal to allow necessary access be managed?
- How are landlords protected from conditions beyond their control, such as gas shutoffs requiring complex coordination between city agencies and utilities?
- Why should additional abatements apply when tenants already owe substantial unpaid rent?

Furthermore, without proper safeguards, this legislation could encourage further weaponization of city and state agencies. To mitigate these issues, lawmakers must include:

- The explicit right for property owners or representatives to accompany city or state inspectors during tenant inspections, with tenant refusal leading to termination of inspection.
- Clear due-process rights for owners to contest unwarranted or exaggerated violations.
- Progressive penalties and eviction rights against tenants proven to fabricate complaints.

Bill S.7633B - Rather than focus on assisting owners in quickly curing any municipal and other violations or providing owners with assistance to avoid them in the first place, the focus here is on providing renters with a new and potentially very lucrative opportunity to abate their rent (perhaps in furtherance of the DSA's goal of free rent or no rent increases ever). This bill might spawn a new mini-industry of tenant consultants who will recruit tenants in buildings with the goal of identifying conditions ripe for the reporting of violations which they will instruct the tenants to do, in return for a percentage of the amount of rent abated.

Similarly problematic is **Senate Bill S7882**, which bans algorithmic tools landlords use to determine rents. Though intended to curb price manipulation, the legislation inadvertently puts small landlords at a competitive disadvantage. Unlike large corporate entities that can absorb costs or exploit legal gray areas, smaller landlords rely heavily on data-driven pricing to remain competitive. Removing these tools leaves them reliant on guesswork and vulnerable to market uncertainty. Also, these tools can benefit tenants when a rental market is seeing downward pressure on rents. Algorithms will note these market shifts as well.

Then there's **Senate Bill S5445**, which allows tenants to sue landlords over sidewalk sheds—scaffolds mandated by the city. These structures often linger due to permitting delays and limited contractor availability—factors beyond property owners' control. Yet the bill exposes landlords to costly lawsuits without addressing the root causes: city bureaucracy and contractor shortages. Small property owners, without legal or financial cushions, will disproportionately bear these burdens.

NYC just recently passed legislation on this and I will share you via separate email more details on our objections to this.

Senate **Bill S1557** mandates formal landlord engagement with tenant organizations and grants tenants authority to invite external representatives—including political advocates—into buildings. Ostensibly aimed at transparency, the bill overlooks practical consequences for small landlords. Managing these engagements without dedicated legal teams or property managers could quickly become overwhelming, transforming basic property management into prolonged negotiations that small landlords simply cannot sustain. ***This bill is especially vulnerable to legal challenges based on the recent Supreme Court decision in Cedar Point Nursery v. Hassid, which highlighted similar issues regarding access rights.***

Collectively, these bills embody an alarming misconception: that all property owners possess corporate-scale resources. In reality, many small landlords are families, first-generation immigrants, or individuals deeply invested in their communities. They handle maintenance personally, often know their tenants by name, and provide stable, affordable housing in neighborhoods otherwise targeted by developers. Far from curbing corporate landlords, these legislative measures risk accelerating the displacement of small property owners, further consolidating housing stock into institutional portfolios.

Albany must reconsider the broader impacts of these policies. Protecting tenants is crucial, but it should not come at the expense of those who provide the housing tenants depend on. If small landlords continue to be overlooked, the state risks losing a vital segment of its affordable housing ecosystem—one that it can ill afford to sacrifice.