



# Balancing Act: Navigating the Tradeoffs of Good Cause Eviction Legislation

# Executive Summary

## What is “good cause”?

- In principle, good cause is intended to enhance tenant stability by limiting evictions and refusals to renew leases or continue tenancies, and by discouraging unexpectedly large rent increases.
- The only specifics publicly available about what exactly a good cause requirement would involve in New York State are in a bill Senator Julia Salazar and Assemblywoman Pamela Hunter last introduced in 2023. The bill expansively defines “residential premises” to include a broad array of housing types such as rental units not already rent-regulated, sublets, and leases within coops and condos.
- The bill prohibits either evictions or refusals to renew leases or continue tenancies except upon a showing of “good cause.” Good cause is defined to include scenarios where tenants fail to pay rent, violate lease terms, or engage in nuisances or illegal activities, and some circumstances in which the owner seeks occupancy for herself or for her family.
- The proposed legislation treats non-payment as “good cause” only if no part of the rent due stemmed from rent increases above the larger of 3 percent or 1.5 times the previous year’s annual Consumer Price Index (CPI) change.

## The Benefits and Risks of Good Cause Requirements

- About 710,000 rented houses and apartments in New York City could be covered by the good cause requirement as proposed. This provision, similar to rent regulation, would apply irrespective of household income. Notably, the households in potentially covered units generally report higher median incomes—\$62,964 compared to \$54,000 for all non-NYCHA renter households.
- Evictions and housing instability imposes tremendous harms on households, many of which have children. Finding ways to prevent those harms is crucial.
- But good cause requirements also pose risks of harm; the challenge is to find ways to minimize housing instability while also minimizing the costs that could result from a good cause requirement.

- The risks of a good cause requirement include:
  - Discouraging investment in both the maintenance of existing housing and the development and maintenance of new rental units (which will in turn limit housing supply);
  - Lengthening how long it will take to resolve eviction filings beyond the 133 days the median case of tenants who were represented by counsel took in the most recent years for which complete data is available;
  - Increasing the cost of resolving disputes with tenants who are not paying rent, violating lease terms or making the building less desirable for others not only by making the process slower, but also by imposing additional evidentiary burdens;
  - Encouraging landlords, especially those who are not full-time property managers, to screen tenants more rigorously (which could further limit the opportunities of low-income tenants).
- By refusing to consider nonpayment as a good cause if any of the rent due stemmed from an “unreasonable” rent increase of more than the greater of three percent or 1.5 times the CPI, the proposal would apply to rent increases that have been close to the annual change in median rent in New York City over the last 15 years, and therefore may function not as an anti-gouging rule but as more general rent regulation. But the costs and benefits of expanding rent regulation in New York City and across New York State have not been fully debated as part of the discussion on good cause.

## Alternative, Additional, or Complementary Strategies for Promoting Housing Stability

- An examination of good cause legislation in cities like Seattle and states like Oregon and California reveals a range of approaches that might help policymakers in New York State fairly balance the benefits and risks of a good cause requirement:
  - Exempting the smallest buildings, which have the lowest eviction filing rates, are often managed by owners who are not full-time professional property managers, and often provide some of New York City’s least expensive and most stable housing;
  - Exempting institutional buildings;
  - Exempting new buildings;
  - Adding as good cause grounds such issues as chronic late payment and demolition or conversion of the building;
  - Increasing the range of rents presumed “unreasonable” to more effectively target exceptionally sharp increases;

- Reviewing procedural issues such as the length of the notice tenants should receive about rent increases, lease violations, and the end of the tenancy; the interaction between good cause requirements and other protections such as anti-retaliatory eviction presumptions; and the standards for overcoming presumptions of reasonableness or retaliatory or discriminatory motives.
- Policymakers also should consider how the benefits and risks of a good cause requirement compare to such alternatives as:
  - Expanding targeted housing subsidies, such as vouchers or renter's tax credits, that can directly address the affordability challenges that lead the population most at risk to face eviction filings;
  - Enhancing legal support for tenants and investing in Housing Court infrastructure to improve the efficiency and fairness of eviction proceedings;
  - Exploring alternatives like flexible rent payment schedules, incentives for timely payments, reporting to improve credit scores, and mediation services for landlord-tenant disputes;
  - Providing more effective and timely services to help landlords navigate situations in which a tenant's behavior is harmful or troublesome to others in the building;
  - Implementing anti-gouging standards on their own to prevent landlords from imposing unusually steep rent increases during times of market disruption;
  - Establishing a statewide rental registry system, which could foster more transparency in the rental market by requiring landlords to report rents and any annual increases, thereby helping lawmakers make more informed policy decisions.

## Conclusion

The complexities surrounding good cause legislation highlight the need for a nuanced approach that protects housing stability for tenants without imposing undue risk to an already stressed rental market. Policymakers must weigh the benefits of a good cause requirement against the potential it has to negatively affect housing development and affordability for all current and prospective renters.

# Introduction

Progress on proposals to address the housing shortage that is contributing to high housing prices and rents across New York State stalled last year in part because of disagreements over whether measures to encourage new construction would be packaged with legislation to prevent landlords from evicting tenants or refusing to renew their leases except for “good cause.”<sup>1</sup> Resolving those disagreements is seen as critical to movement on housing issues in 2024 as well. While Assembly Speaker Carl Heastie and Senate President Andrea Stewart-Cousins have said they support “good cause” in principle, neither have come forward publicly with a specific legislative proposal to implement that principle.<sup>2</sup>

Research shows that promoting housing stability and preventing evictions avoids enormous harm. Evictions lead to worse physical and mental health<sup>3</sup> and increased hospital visits,<sup>4</sup> and are associated with adverse childbirth outcomes.<sup>5</sup> They have lasting effects on future earnings and access to credit.<sup>6</sup> They lead to homelessness, and future housing instability.<sup>7</sup> The harms of eviction are especially likely to fall on Black renters,<sup>8</sup> and households

1. Zaveri, M. (2024, January 3). When Will New York Solve Its Housing Crisis? Probably Not This Year. *The New York Times*. <https://www.nytimes.com/2024/01/03/nyregion/nyc-housing-crisis-hochul.html>; Ferré-Sadurní, L. (2023, June 8). N.Y. Democrats, at Odds Over Tenant Protections, Fail to Reach Housing Deal. *The New York Times*. <https://www.nytimes.com/2023/06/08/nyregion/housing-good-cause-eviction.html>

2. See Heastie, C. (2023, June 8). Joint Statement from Senate Majority Leader Andrea Stewart-Cousins and Assembly Speaker Carl Heastie. *New York State Legislature*. <https://nyassembly.gov/Press/?sec=story&story=106381> (“All three chambers must immediately redouble our efforts and come up with a plan that the governor will sign into law. This plan must prioritize not only the construction of new units of affordable housing but also robust protections for tenants including good cause eviction.”); see also Janaro, C. & Whitford, E. (2024, January 9). Hochul’s Housing Approach Stirs Questions About Tenant Protections, Developer Incentives. *City Limits*. <https://citylimits.org/2024/01/09/hochuls-housing-approach-stirs-questions-about-tenant-protections-developer-incentives/>; Cuevas, E. (2023, March 20). Showdown Set On ‘Good Cause Eviction’ Amid State Budget Deadline, Court Fights. *Lohud*. <https://www.lohud.com/story/news/2023/03/20/good-cause-eviction-showdown-amid-new-york-state-budget-talks/70020380007/>

3. Acharya B., Bhatta D., & Dhakal C. (2022). The risk of eviction and the mental health outcomes among the US adults. *Preventative Medicine Reports* 29:101981. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9502670/>; Bradford, A.C. and Bradford, W.D. (2020). The effect of evictions on accidental drug and alcohol mortality. *Health Serv. Res.* 55:9–17. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6980953/>; Vásquez-Vera, H., Palència, L., Magna, I., Mena, C., Neira, J., & Borrell, C. (2017). The threat of home eviction and its effects on health through the equity lens: A systematic review. *Social Science and Medicine* 175, 199–208. <https://www.sciencedirect.com/science/article/abs/pii/S0277953617300102>; Matthew, M. & Tolbert Kimbro, R. (2015). Eviction’s Fallout: Housing, Hardship, and Health. *Social Forces* 94:1, 295–324. <https://academic.oup.com/sf/article-abstract/94/1/295/1754025>; Yerko Rojas Y. & Stenberg S. (2016). Evictions and suicide: A follow-up study of almost 22,000 Swedish households in the wake of the global financial crisis. *Journal of Epidemiology and Community Health* 70:4, 409–13. <https://jech.bmj.com/content/70/4/409>.

4. Collinson, R., Humphries, J.E., Mader, N., Reed, R., Tannenbaum, D. & van Dijk, W. (2024). Eviction and Poverty in American Cities, *Quarterly Journal of Economics* 139 (1): 57–120. <https://doi-org.proxy.library.nyu.edu/10.1093/qje/qjad042>.

5. Himmelstein G, Desmond M. (2021). Association of Eviction With Adverse Birth Outcomes Among Women in Georgia, 2000 to 2016. *JAMA Pediatrics*, 175(5): 494–500. doi:10.1001/jamapediatrics.2020.6550

6. Collinson, R., Humphries, J.E., Mader, N., Reed, R., Tannenbaum, D. & van Dijk, W. (2024). Eviction and Poverty in American Cities, *Quarterly Journal of Economics* 139 (1): 57–120. <https://doi-org.proxy.library.nyu.edu/10.1093/qje/qjad042>.

7. Crane, Maureen. Warnes, Anthony M. (2000). Evictions and Prolonged Homelessness. *Housing Studies*. 15:5, 757–773, DOI: 10.1080/02673030050134592; Abramson, Boaz. (December 15, 2021). The Welfare Effects of Eviction and Homelessness Policies. SSRN: <https://ssrn.com/abstract=4112426> or <http://dx.doi.org/10.2139/ssrn.4112426>; Richter, Francisca García-Cobián; Coulton, Claudia; Urban, April; Steh, Stephen. (2021). An Integrated Data System Lens Into Evictions and Their Effects. *Housing Policy Debate*. 31:3–5, 762–784, DOI: 10.1080/10511482.2021.1879201

8. Graetz, N., Gershenson, C., Hepburn, P., & Desmond, M. (2023). A Comprehensive Demographic Profile of the US Evicted Population, PNAS 120. <https://doi.org/10.1073/pnas.230586012>. (Black Americans make up only about 19% of all renters, but are 51% of those affected by eviction filings and 43% of those actually evicted); see also Hepburn, P., Louis, R., & Desmond, M. (2020). Racial and gender disparities among evicted americans. *Soc. Sci.*, <https://doi.org/10.15195/v7.a27>.

with children.<sup>9</sup> Protecting tenants from price-gouging—landlords raising rents significantly to take unfair advantage of unexpected disruptions in the housing market—can help prevent evictions and their harms, but also help avoid situations in which households are not taking care of their health or other critical needs in order to pay the increased rent.

There are potential tradeoffs that must be weighed against the benefits of securing housing stability through an instrument like this, however: efforts to promote stability may discourage investment in maintaining existing rental housing and building new homes; raise the screening hurdles households seeking rental housing face; and increase rents in smaller buildings that have typically offered some of the lowest, and most stable, rents. At a time when New York City is facing the lowest vacancy rate in more than fifty years,<sup>10</sup> finding ways to protect the stability of the most vulnerable low-income tenants without imposing inordinate costs and risks on the development and operation of rental housing is both extremely difficult and absolutely critical.

To help elevate the debate on the best way forward, we first explore the implications a good cause requirement might have for tenants, households searching for an apartment, and owners and developers of rental housing (and their investors). We then review how other states and cities have implemented restrictions on landlords' ability to evict a tenant or refuse to renew a lease, in order to learn from their experiences. Finally, we suggest alternative, additional, or complementary strategies for enhancing housing stability that policymakers ought to consider. These strategies aim to balance the need to secure the benefits of greater housing stability against the need to minimize the risk that a good cause requirement might pose to an already troubled rental housing market.

9. Graetz, N., Gershenson, C., Hepburn, P., & Desmond, M. (2023). A Comprehensive Demographic Profile of the US Evicted Population, PNAS 120. <https://doi.org/10.1073/pnas.230586012>. (The presence of children in a household significantly increases the risk of eviction. Across the life course, the risk of experiencing an eviction is highest during childhood, page 5); see also Desmond, M. & Gershenson, C. (2017). Who gets evicted? Assessing individual, neighborhood, and network factors. *Social Sci. Res.* 62, 362–377.

10. 2023 New York City Housing and Vacancy Survey: Selected Initial Findings, 21-22 ((Feb. 2024).

# Section One: Beyond Statements of Principle, What Might Good Cause Look Like in Practice?

One of the leading proponents of a good cause mandate, Housing Justice for All, describes the principle of good cause as follows:

Good Cause Eviction protects tenants from unreasonable rent hikes and retaliatory or discriminatory evictions. Currently, when a lease expires for most apartments or homes in NY, the landlord can choose not to renew it for any reason and raise the rent as high as they want. As a result, landlords can kick out tenants even for patently unfair reasons—like retaliation for raising concerns about living conditions—and spike the rent.<sup>11</sup>

The only specifics that have been made public about exactly what a good cause requirement would impose are in a bill that Senator Julia Salazar and Assemblywoman Pamela Hunter introduced in each of the last few legislative sessions.<sup>12</sup> In this brief, we use that bill to illustrate how a good cause requirement might operate and therefore how it might affect tenants, landlords, and the housing market; we do not intend the discussion to be an analysis of the bill itself, and are using it only to give content to the broader principles it seeks to implement. In Section Three, we review the choices other jurisdictions have made about how to shape the principle of good cause into specific legislation.

In sum, the bill would apply to all “residential premises:” apartments; houses; mobile homes and land in mobile home parks; and hotels and rooming houses for tenants who have been in occupancy for at least 30 consecutive days.<sup>13</sup> It would include rentals in condominiums and cooperatives, and apartments or houses that the primary tenant might sublet, unless the primary tenant seeks to recover the units for their personal occupancy.

11. Housing Justice For All. (2024). “Our Platform: Good Cause.” <https://housingjusticeforall.org/our-platform/good-cause/>.

12. NY Senate Bill No. 305 (2023); NY Assembly Bill No. 4454 (2023); NY Senate Bill No. 3082 (2021); NY Assembly Bill No. 5573 (2021); NY Senate Bill No. 2892-B (2019); NY Assembly Bill No. 5030-B (2019).

13. NY Senate Bill No. 305 (2023).

It excludes: owner-occupied premises with fewer than four units; units already subject to good cause requirements through rent regulation or regulatory agreements governing subsidized affordable housing; and units provided as part of a person's employment if the employment is lawfully terminated.

The bill would prohibit any landlord (including owners of condos or shareholders in coops who sublease their units, or tenants who sublease their apartments unless they are recovering them for personal use) from evicting or recovering possession from a tenant, excluding a tenant from possession, or refusing to renew a lease, unless the landlord could prove to a court that the tenant either:

- Failed to pay rent, unless the rent owed includes amounts resulting from an unreasonable increase. An increase would be presumed to be unreasonable if it exceeds the largest of 3 percent or 1.5 times the annual percentage change in the Consumer Price Index in a calendar year. The landlord could offer evidence, however, to try to rebut the presumption and show that a higher increase was reasonable;
- Is violating a substantial obligation of the tenancy and has failed to cure the violation within ten days of receiving written notice of the violation;
- Is committing or permitting a nuisance, or is negligently or maliciously damaging the unit, or is interfering with the comfort of the landlord or other tenants or occupants of the building or adjacent areas;
- Is using the rental unit or permitting it to be used for an illegal purpose;
- Has unreasonably refused to allow the landlord access to make necessary repairs or improvements required by law or to show the unit to a prospective buyer or lender or other person with a legitimate interest.



There are also several reasons other than the fault of the tenant that a landlord can prove to obtain an eviction or regain possession from a tenant who does not have a lease or whose lease has expired:

- The unit is one for which occupancy is illegal and the tenant's occupancy will subject the landlord to civil or criminal penalties, if the jurisdiction has issued an order to vacate the property and a court has found both that the tenant must be removed in order to cure the violation and that the landlord did not deliberately or through neglect create the condition that required the vacate order;
- The landlord is in good faith seeking to take back no more than one unit in a building with less than 12 units because of an "immediate and compelling" need to use the unit as the principal residence for the landlord or the landlord's spouse, parents, in-laws, children or stepchildren, if no other unit is available in the building and the current tenant is neither disabled or aged 62 or older;
- The landlord seeks in good faith to use any or all units within a building with less than 5 units for the landlord's personal principal residence.

# Section Two: Potential Benefits and Risks of a Good Cause Requirement

## What Buildings, and Who, Might a Good Cause Requirement Cover?

Many apartments and houses that are rented (we will, going forward, refer to apartments and houses that are occupied by renters as “rented homes”) in New York City are already subject to regulations that limit the landlord’s ability to end the lease. A good cause requirement along the lines of the Salazar/Hunter bill described above accordingly would apply only to New York City renters who now live in a rented home that is not regulated by rent stabilization or rent control or by agreements with, or requirements of, public housing or affordable housing subsidy programs. Further, it is likely that any requirement would provide exemptions for certain unregulated housing. The Salazar/Hunter bill exempts owner-occupied properties with three or fewer units, for example, but as we discuss below, any number of additional exemptions might be applied.

Unfortunately, data about New York City’s housing stock are not neatly broken down into the categories being considered for coverage by the requirement. Our best estimate, relying on microdata from New York City’s 2021 Housing and Vacancy Survey (HVS),<sup>14</sup> is that, of the approximately 2.2 million apartments and houses that are occupied by renters in New York City, about 710,000 might be covered by a requirement that contained exemptions similar to the Salazar/Hunter bill. Approximately 140,000 of that total would be in condominium or cooperative buildings.<sup>15</sup> The remainder would be in unregulated houses or apartments in non-owner occupied buildings (see Sidebar One).

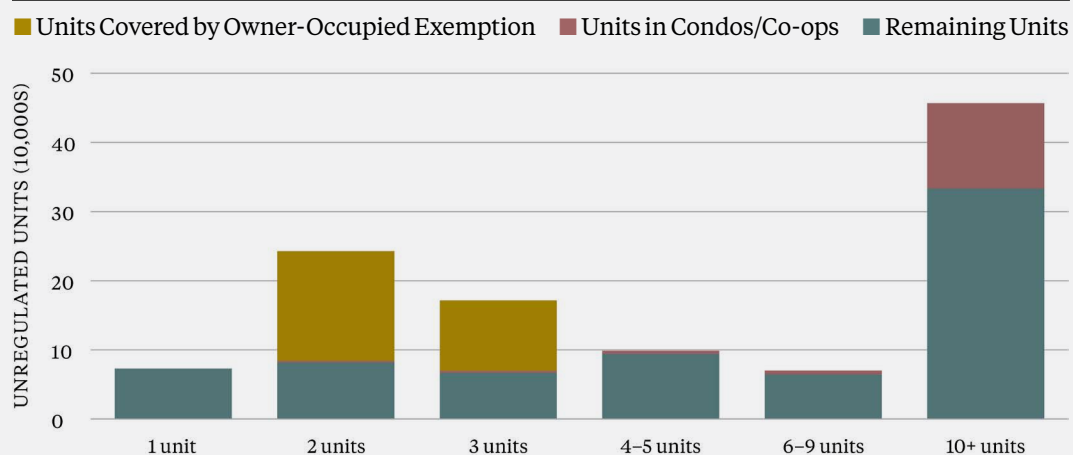
14. Although findings from the 2023 HVS were recently released, as highlighted earlier in note 10, the microdata from the 2023 survey will not be available to researchers for some time, so we must use the 2021 data for some of our analysis.

15. Of 138,071 estimated unregulated rented homes in condominium and cooperative units, most (~129,000) are in 6+ unit buildings.

### Sidebar One: What Kinds of Housing Might a Good Cause Requirement Cover in New York City?

Using data from the 2021 New York City Housing and Vacancy Survey (the most recent available in sufficient detail), Figure One provides our best estimate of the number and types of rented homes in New York City that could fall under a good cause requirement, accounting for owner-occupancy and the absence of other regulatory restrictions on eviction or refusal to renew the lease. The data behind Figure One is presented in Table A-1 in the Appendix.

**Figure One: Estimated Count of Rented Homes that Might Be Covered by a Good Cause Exemption, by Number of Units in Building and Exemption Reason**



Source: New York City Housing and Vacancy Survey (2021), NYU Furman Center

We do not have data that would allow us to estimate with precision how many rented homes might be covered by a good cause requirement similar to the Salazar/Hunter bill in parts of New York outside New York City. There are approximately 1,200,000 rented homes in the state outside of the five boroughs. About 1 million of those renters are unlikely to be covered by rent regulation because relatively few jurisdictions outside of New York City have adopted such regulation. But some are covered by regulatory agreements or legal requirements imposed by subsidized or public housing programs, and some likely will be exempted from a requirement because they are owner-occupied. Approximately 700,000 of those rented homes (58% of the rented homes outside New York City) are in one- to four-unit buildings.<sup>16</sup>

16. 2021 1-year ACS

The lack of precise data also does not allow us to parse out the characteristics of the renters in the different kinds of buildings that might be covered by a good cause requirement. We can report some of the characteristics of New York City renters who live in unregulated rented homes (which will include some households living in buildings, such as owner-occupied two- and three-unit properties, that a good cause requirement might exclude). Table One compares all New York City renter households in unregulated rented homes to the renter households living in rent-stabilized and rent-controlled rented homes. It shows distinct differences: Tenants in unregulated rented homes tend to face higher rents, with 28.2 percent paying a monthly rent of more than \$2,300, compared to 14.3 percent in regulated rented homes. Tenants in unregulated rented homes experience fewer maintenance issues (8.0% vs. 21.5%). The head of the household in unregulated rented homes is more likely to be white, and renters in unregulated rented homes have significantly higher median household incomes than those in regulated rented homes. Households in unregulated rented homes are much less likely to have members who are over 65 or have a disability than those in regulated rented homes.

**Table One: Characteristics of Tenants in Unregulated Rented Homes (Those Most Likely to be Covered by a Good Cause Mandate) Compared to Tenants in Regulated Rented Homes**

	<i>Regulated</i>	<i>Unregulated</i>
Median Household Income of Tenants (2021\$)	\$46,800	\$62,964
Share of Households with Rents Above \$2,300	14.3%	28.2%
Share of Households Moderately Rent Burdened	19.9%	20.5%
Share of Households Severely Rent Burdened	31.0%	28.8%
Share of Households That Missed One or More Rent Payments in the Prior Year	16.0%	9.8%
Share of Households in Homes with 3+ Maintenance Deficiencies	21.5%	8.0%
Share of Households with a Black Head of Household	21.9%	17.7%
Share of Households with a Hispanic Head of Household	33.5%	24.5%
Share of Households with a White Head of Household	32.0%	38.7%
Share of Households with a Member Under 18	18.7%	21.9%
Share of Households with a Member 65 or Older	31.8%	18.7%
Share of Households with a Member with Disabilities	22.9%	13.2%

Source: New York City Housing and Vacancy Survey (2021), NYU Furman Center

A good cause requirement covering unregulated rented homes likely would have the most impact on those tenants facing eviction proceedings. Of those, only a small fraction are in smaller buildings: In 2023, 13,613 eviction actions, or 10.8 percent of all evictions filed, were against renter households in one- to five-unit buildings in New York City, even though smaller buildings make up 27.9 percent of all rental housing units. Assuming each filing represents a unique household, this total was 1.8 percent of all renter households living in smaller buildings.<sup>17</sup> For tenants in larger buildings (with six or more residential units), it is challenging to produce an accurate estimate because a good cause requirement would cover only the unregulated units and no data is publicly available about which units are regulated (and thus which filings come from regulated units). Overall, in 2023 there were 92,981 eviction actions filed against renter households residing in buildings with six or more units in New York City. Assuming, again, that each filing represents a unique household, this total is 5.9 percent of all renter households living in larger buildings. However, because buildings with 100 percent regulated units have higher filing rates than buildings with no regulated units, many of the 92,981 filings would likely not be covered by the good cause proposal because they are covered by rent stabilization.<sup>18</sup>

Other households who might benefit from a good cause requirement include those who (if there were no requirement) might move out of their homes without litigating the issue after the landlord refused to renew the lease, or those who might move out after the landlord threatened to pursue an eviction action. Unfortunately, we cannot rely upon data from Housing Court or from publicly available data sources to estimate those numbers. The Community Service Society's 2023 "Unheard Third" survey, however, finds that the share of low-income tenants who reported informal eviction attempts such as non-renewals was approximately ten percent in 2020 and 2023, after declining from 2019, then rising again during the pandemic.<sup>19</sup>

17. This estimate may be slightly inaccurate for two reasons. First, multiple eviction actions could be filed against the same household, which would lower the overall share of households involved in eviction actions. Second, we can't account for which eviction actions were filed against households in those small buildings that would be exempted from the good requirement because they are owner occupied.

18. No data is publicly available about which rented homes in a building are regulated. For that reason, it is impossible to tell the share of the renters in unregulated rented homes in larger buildings who might benefit most directly from a good cause requirement because they might have an eviction filed against them. With that said, the eviction filing rate is lower in buildings with higher shares of unregulated units than in buildings with higher shares of regulated units. In 10+ unit buildings in 2023, the eviction filing rate was 1.76 in buildings with 0% rent regulated units, 1.21 with 25%, 2.4 with 50%, 4.5 with 75%, and 8.1 with 100% share rent stabilized units.

19. Mironova, O., Stein, S., & Thompson, I. (2024, January). Right to Counsel Works: Why Won't the City and State Use it to Stop More Evictions? *Community Service Society*. <https://www.cssny.org/publications/entry/right-to-counsel-works-why-wont-the-city-and-state-use-it-to-stop-more-evic>. Some waves of the Poverty Tracker, a panel survey of around 4,000 adults in New York City also asked respondents about "forced moves," a category that includes formal evictions, moves prompted by the landlord telling the household to leave, the household leaving after missing a rent payment and worrying about eviction, condemnation of the building, landlord harassment, and property foreclosure. A 2019 analysis by the Tracker estimated that between 2016 and 2017, and between 2017 and 2018, about 2% of renter households in unregulated apartments (about 25,000 households) had been forced to move. The data do not allow us to isolate refusals to renew in that number. Collyer, Sophie, & Bushman-Copp, Lily. (2019, May). Spotlight on Forced Moves and Eviction in New York City. Columbia Population Research Center. <https://static1.squarespace.com/static/610831a16c95260dbd68934a/t/61129bdebf4a2d29d8c53d60/1628656948830/NYC-Poverty-Tracker-Forced-Moves-Eviction-2019.pdf>.

It's difficult to estimate how many of the approximately 710,000 renter households who would be covered by the proposed good cause requirement would actually benefit from a good cause requirement because only a small fraction of the renters in those homes would be likely to face formal or informal eviction threats. Even those renter households who would be covered by a good cause requirement may not be able to retain their homes in the face of such threats because the landlord may be able to prove good cause for an eviction filing or non-renewal.

Like New York's rent control and rent stabilization laws, the Salazar/Hunter bill would not limit the good cause requirement to low-income households. Many of those who would be covered by a good cause requirement are low-income households, to be sure (39% of the households in unregulated rented homes had annual incomes of less than \$50,000 in 2020, the median for all renters in the City). On average, however, households in unregulated rented homes have larger annual incomes than those living in regulated homes, and are less likely to have missed one or more rent payments in the prior year. Measures to increase housing stability can benefit households at all levels of income, but how well the protections target the most vulnerable New Yorkers is a consideration in assessing the tradeoffs a good cause requirement poses, and in considering alternatives to good cause.

## What Level of Rent Increases Would a Good Cause Requirement Constrain and What Are Possible Implications?

As noted above, advocates for the Good Cause requirement argue that it will “protect[] tenants from unreasonable rent hikes.” The Salazar/Hunter bill prohibits a landlord from evicting a tenant if the cause asserted is nonpayment of rent and any part of the rent due stems from an “unreasonable” rent increase. The proposal defines any increase above three percent or 1.5 times the increase in the regional Consumer Price Index<sup>20</sup> (CPI) as unreasonable, but allows the landlord to introduce evidence to disprove that.

The purpose of the provisions in the Salazar/Hunter bill regarding the reasonableness of rent increases is not entirely clear. If the intent is to regulate general rent increases in the rented homes that are now exempt from rent-regulation, as many opponents fear, we should be having a fulsome discussion about the advantages and disadvantages of expanding the

20. The Salazar/Hunter bill specifies that the change in the CPI be measured between the August to August period of the prior year.

rent-regulation system to a broader stock of rented homes across New York City,<sup>21</sup> and overriding what is now a local decision about whether to impose rent regulation with a state-wide definition of what rent increases in unregulated buildings are reasonable.<sup>22</sup> We take the proponents of a good cause requirement at their word, however, and assume that the purpose is to regulate the extraordinarily steep rent increases described in calls for the requirement,<sup>23</sup> or what many would consider “price-gouging.”

### What do the data show about annual rent changes in New York City?

Our ability to assess how a good cause requirement might restrain unusually sharp rent increases in New York City unfortunately is limited by the lack of reliable data that would allow us to differentiate typical from atypical rent increases upon lease renewal. Ideally, to discern the full scale of year-over-year changes in rent, we would have historical data on the rent charged in each rental unit in the City, which would allow analysis of how that unit’s rent changed over time. We also would need to know whether the rent change applied to lease renewals or upon turnover, and whether a rent increase was coupled with capital investment in the building or unit.

Such data are not available. What we have instead is four different datasets that each provide some insight into how the median rent of New York City’s rental stock has changed over time.<sup>24</sup> The available data allow us to identify a range and average of year-over-year changes in median rent and show how those compare to standards like the Salazar/Hunter reasonableness definition.

21. Because there is no legal way to prevent future legislatures from using the definition of “reasonable” rent increases to impose a more general rent regulation system in the future, even the discussion of an anti-gouging approach should recognize the risk that it may make more general rent regulation more likely in the future.

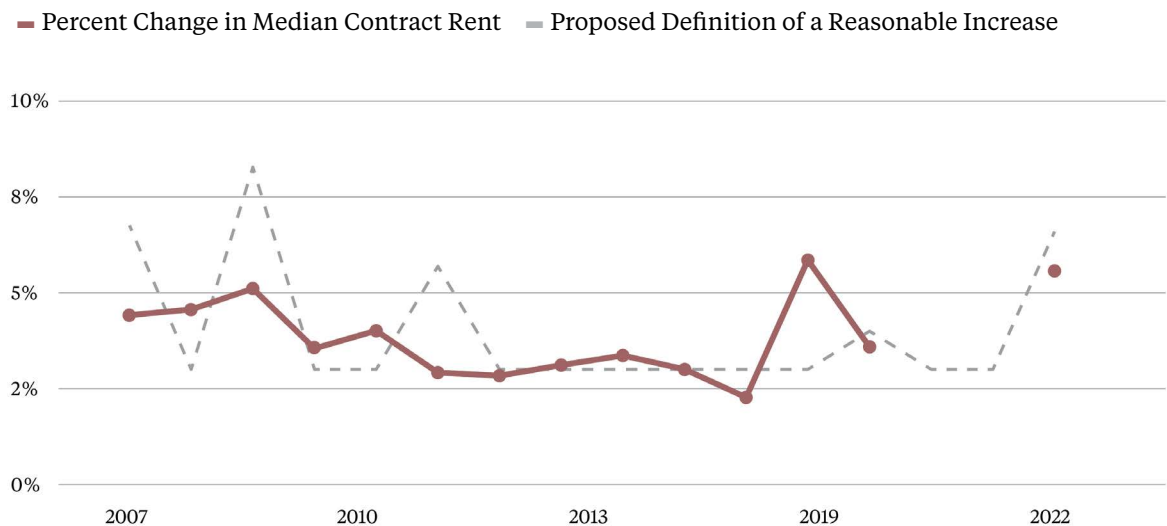
22. The Housing Stability and Tenant Protection Act, 2019 N.Y. Sess. Laws Ch. 36 (McKinney), allows any city with a population of less than one million, and any town or village in the state to “opt in” to rent regulation if it establishes that it is facing a housing emergency. If an emergency exists, the statute requires the relevant county to establish a rent guidelines board that will determine allowable rent increases pursuant to the Emergency Tenant Protection Act of 1974, N.Y. Unconsol. Law § 8623 (McKinney). A good cause requirement that includes an anti-gouging restriction on rent increases, however, likely would apply to a different set of buildings than rent regulation under the Emergency Tenant Protection Act would cover.

23. Beer, I. S. (2022, July 13). Rising Back Up: How Higher Rents Are Impacting NYC Tenants And Small Landlords Alike. amNY. <https://www.amny.com/news/rising-back-up-higher-rents-impacting-nyc-tenants-landlords/> (“Some of the highest rent increases we’ve seen with our membership [include] a member in Brooklyn who’s getting a \$1,200 increase,” said Hernandez. “We have a member in Queens who is getting a \$900 increase. These are outrageous rent increases and obviously a big part of that issue is the lack of regulation.”); see also Chang, C. (2022, December 21). The Year in Rent. Curbed. <https://www.curbed.com/2022/12/new-york-city-record-rents-2022.html>; Clio Chang, The Year in Rent, Curbed (Dec. 21, 2022), <https://www.curbed.com/2022/12/new-york-city-record-rents-2022.html>.

24. Several data sources are available to analyze the year-over-year changes in New York City’s unregulated rental stock, but each has limitations. Broker-reported data provide timely information on actual median monthly rents but do not fully represent the city’s unregulated market because these data tend to be skewed towards the rents charged on new leases in higher-cost market segments and overlook renewal leases. The US Census offers another source of information through its 1-Year and 5-Year American Community Survey (ACS). The 1-Year ACS, though the more current, relies on a smaller sample size, which may affect its accuracy. The 5-Year ACS provides a larger sample but aggregates data over a longer period, making it less suitable for precise year-over-year change analysis. Both also lack the ability to isolate unregulated rented homes. The most current Census data also lags behind the market by as much as two years, and the 2020 data is considered unreliable because of the difficulties the pandemic caused the census. The New York City Housing and Vacancy Survey (HVS) sheds valuable light on a broader spectrum of unregulated apartments, but like the 5-Year ACS, its most recent data is from 2021, and it covers a period longer than one year (3 or 4 years), posing challenges for year-over-year evaluation. In general, the datasets do not allow us to isolate lease renewals from rents charged on turnover. Further details on these data sources and what they show can be found in the appendix.

The broadest representation of median year-over-year percent change comes from the US Census Bureau's 1-year American Community Survey. Figure Two shows how increases at the greater of three percent or one and a half times the annual change in CPI of the prior year's August to August period (the Salazar/Hunter bill's definition of a reasonable increase) compare to percentage changes in median contract rent (the monthly rent agreed to without adjustments for utilities or other payments), shown in year-over-year terms.<sup>25</sup>

**Figure Two: Percent Change in Median Contract Rent Relative to the Salazar/Hunter Bill's Definition of a Reasonable Increase**  
New York City, 2006-2022, 1-Year ACS



Sources: American Community Survey, NYU Furman Center

Figure Two shows that the proposed Salazar/Hunter bill's definition of reasonableness definitely would exclude exceptionally large rent increases. However, when examining over a 15-year period, between 2007 and 2022, the average the annual percentage change in median rent was 3.87 percent.<sup>26</sup> and the Salazar/Hunter bill, if applied during the same period, would have averaged to a 4.02 percent, implying that in both year-over-year terms and in the long run, the rent increase threshold closely tracked with changes in median rent.<sup>27</sup>

25. Contract rent refers to the actual rent agreed upon or contracted for, regardless of any furnishings, utilities, or services that might be included. It is the rent amount that a tenant pays specifically for the use of the rental unit itself.

26. The average margin of error for the average annual percentage change is +/- .95%.

27. Including 2023 and 2024 in the average calculation would raise the annual average of the proposed Good Cause Cap to 4.43 percent (2007-2024).



In the Appendix, we test the three other possible sources of rental data and explain their advantages and disadvantages for trying to better understand the extent to which tenants are being confronted with large year-over-year rent increases. While the variation from year-to-year differs across the datasets, each one fairly consistently shows that the annual percentage change in median rent has hovered around the percentage change deemed unreasonable in the proposed bill.

### **How might the constraints on rent increases affect the unregulated rental market?**

The effect of the Salazar/Hunter proposal’s presumptions about what constitutes a reasonable increase apply only to prevent a landlord from using nonpayment as the cause for evicting a tenant if any of the rent due and owing from the tenant stems from an “unreasonable” rent increase. Given the limited scope—applying only to tenants being evicted for failure to pay the rent due—one might argue that the reasonableness provision will have little effect on most rents.

Several concerns arise about the risks that the Salazar/Hunter definition of reasonableness might pose, however. First, because the definition of an unreasonable increase is so close to the actual annual percentage change in median rent over the past fifteen years, if those trends continue, a significant share of renters could be able seek to block an eviction for nonpayment under the reasonableness definition contained in the proposed bill. Indeed, tenants who believe their rent has been increased by more than the “reasonable” level could refuse to pay, and under the terms of the legislation, the landlord would then not be able to evict for the nonpayment. Not all tenants will challenge the increase in that way, of course, because being involved in a housing court action imposes stress and costs on tenants. But a landlord will not know which tenants will fail to pay for reasons unrelated to the increase, or refuse to pay to challenge the increase, so may try to hew to the definition of reasonable. That dynamic will make the good cause requirement more like general rent regulation.

Second, setting an allowable increase every year (as the definition of “reasonable” does) may end up incentivizing more landlords to attempt to raise the rent up to that limit each year. Professional management companies and landlords with considerable property management experience are likely already increasing rents to the highest level that

market competition and the risk of vacancies, should tenants leave due to rent hikes,<sup>28</sup> will allow. But the available evidence about the ownership of smaller buildings suggests that only a quarter of those properties are owned by corporate entities or full-time investors or managers.<sup>29</sup> Most are owned by retirees, self-employed people or people employed either full-time or part-time in professions other than the investment and management of rental properties.<sup>30</sup> Both the nationwide and HVS data indicate that smaller unregulated buildings are generally lower cost than larger unregulated buildings.<sup>31</sup> That may reflect the condition or quality of the building, or of its services, but it also might reflect owners' lack of information about the market or decisions to keep rents low for existing tenants. We do not know enough about the owners or the conditions of the small buildings that would be covered by the Salazar/Hunter good cause requirements to be sure how they would react to the "reasonableness" standard, but there is a risk that they may use it to impose increases higher than what they typically charge now.<sup>32</sup> Of course, in a competitive market where tenants have a lot of options, competition will serve to limit the amount that a landlord, of buildings of all sizes, can charge, but where competition is limited, as New York City's extremely low vacancy rate signals it is,<sup>33</sup> landlords have more power in setting rent increases.

Finally, the "reasonableness" of rents is a factor in other areas of the law, and judges may use the definitions from a good cause requirement in those areas. As explained below, tenants in the units that would be covered by a good cause requirement already enjoy protections against evictions or non-renewals that a judge finds to be the landlord's retaliation for complaints the tenant filed with the landlord or with government agencies. Unreasonable

28. Every month of vacancy reduces a landlord's yearly income from a unit by one-twelfth, or 8.5 percent.

29. Manji, S and Decker, N., 2024. Management of Small Multifamily Rental Properties: New Insights on an Overlooked Part of the Rental Market (Terner Center). <https://ternercenter.berkeley.edu/wp-content/uploads/2024/01/Ownership-and-Management-of-Small-Multifamily-Rental-Properties-January-2024-Final.pdf>

30. Manji, S and Decker, N., 2024. Management of Small Multifamily Rental Properties: New Insights on an Overlooked Part of the Rental Market (Terner Center). <https://ternercenter.berkeley.edu/wp-content/uploads/2024/01/Ownership-and-Management-of-Small-Multifamily-Rental-Properties-January-2024-Final.pdf>. That information is based upon surveys across the nation, not specifically focused on New York City, and therefore may over-estimate the share of owners who are not full-time managers (although the number of buildings covered by the proposed good cause requirement that are even smaller than the 5- to 49-unit buildings the survey covered may offset that).

31. Manji, S and Decker, N., 2024. Management of Small Multifamily Rental Properties: New Insights on an Overlooked Part of the Rental Market (Terner Center). <https://ternercenter.berkeley.edu/wp-content/uploads/2024/01/Ownership-and-Management-of-Small-Multifamily-Rental-Properties-January-2024-Final.pdf>. In New York City, median rents tend to increase by building size. According to the 2021 HVS, the median rent in unregulated rents in non condo/coop units (that are also not owner occupied) is \$1,625 in 1 unit buildings, \$1,600 in 2 unit buildings, \$1,750 in 3 unit buildings, \$1,600 in 4-5 unit buildings, \$2,000 in 6-9 unit buildings, and \$2,150 in 10+ unit buildings.

32. A related concern is whether the limits on the increases that will be considered reasonable will deter landlords from decreasing rents in response to market downturns. The pandemic provides an example: The data reported in the Appendix show that rents decreased as people left the City. When demand rebounded and inflation surged post-pandemic, rents increased sharply. Under the proposed bill's "reasonableness" definition, landlords might have hesitated to lower rents during the pandemic-induced decline in demand, preferring to leave some units vacant while awaiting market clarity. The landlord (regardless of whether they are professional property managers) will weigh the expected losses of refusing to lower rents against the fact that re-renting at a lower rent would reset the base rent to which constraints on increases imposed by a just cause requirement would apply, thereby potentially slowing or constraining the landlord's ability to raise the rent for a number of years once the market improves.

33. 2023 New York City Housing and Vacancy Survey: Selected Initial Findings, 21-22 (Feb. 2024).

rent increases can be proof of retaliation, but no definition is given about what should be considered “reasonable” in the retaliatory eviction protections. Judges may import the definition in a good cause requirement into those retaliation cases, and perhaps into other areas of the law regulating rentals. That, again, could make the definition of reasonableness more like general rent regulation than a limit on unusually sharp increases.

Trying to define what constitutes a “reasonable” rent, or setting any cap on rents poses risks that the amount will be inadequate to support the operating and maintenance of a building, and thereby lead to decreases in the quality and condition of people’s homes. It also poses the risk that the return allowed will not be sufficient to attract investment in new housing and in the buildings covered by the restriction. Anti-gouging approaches try to minimize those risks by targeting unusually high increases. The data discussed above show that the 3 percent or 1.5 times CPI target in the Salazar/Hunter bill is too low for an anti-gouging measure; as discussed below, that can be resolved by adjusting the definition of reasonable. Targeting just the truly unusual increases also will reduce the risks that a good cause requirement will function as a general form of rent regulation, without a full debate about the pros and cons of rent regulation.

## How Might a Good Cause Requirement Affect the Number and Cost of Eviction Filings?

Landlord/tenant conflicts in New York are governed by the Real Property Actions and Proceedings Law (RPAPL),<sup>34</sup> which provides summary eviction proceedings that are meant to be resolved at a faster pace than a typical civil legal action. The intended fast-track nature of the proceedings reflects in part an attempt to balance the need to provide a fair and full hearing to the tenant against the costs that delay will impose upon the landlord (which are likely to be passed on to current and prospective tenants in the building). Proceeding quickly also reflects the need to balance the rights of the tenant against the interests of other residents whose enjoyment of their homes may be threatened by the tenant’s alleged behavior.

34. N.Y. Real Prop. Acts. Law § 701 (McKinney).

To explore how a good cause requirement would be likely to affect the number, time consumed by, and cost of eviction filings,<sup>35</sup> we need to differentiate between two types of cases. The first type of summary eviction case is for nonpayment—the landlord alleges that the tenant has not paid rent owed.<sup>36</sup> The second type is a “holdover” action, which gets its name from a tenant “holding over” by staying in a property after the lease has expired. But the definition of a holdover is broader than that—it encompasses all eviction proceedings brought on grounds other than nonpayment of rent, such as situations where the landlord claims that the tenant breached a provision of the lease, or used the premises for illegal purposes.<sup>37</sup> To think through how a good cause requirement might affect a landlord’s decision about whether to file an eviction action, it is necessary to understand the processes currently used in Housing Court, which are described in detail in the Primer at the end of the brief.

In the twelve months ending in December 2023, 103,141 eviction cases were brought in New York City’s housing courts for nonpayment; another 20,233 were brought for holdovers. But those numbers may be potentially understated. Between 2017 and 2019, before the pandemic, an average of approximately 144,800 eviction cases were brought each year for nonpayment, and another 28,350 for holdovers. While eviction filings were declining each year before the pandemic, as Figure Two shows, and were likely to decline even further as access to counsel expanded, the number filed in 2023 likely is below where it would have been had those downward trends not been interrupted by the pandemic. Given the effects the pandemic moratoria had in slowing eviction proceedings, once pandemic era arrears are worked through,<sup>38</sup> the number of eviction actions may return to the levels trending before the pandemic.

35. As noted in the introduction, eviction filings impose significant harms on tenants; they also cost landlords considerable time and money (which then is factored into the rent for all tenants), impose costs upon the government as it must provide a judicial system to resolve the filings, pay for lawyers to represent the tenants facing eviction, and pay for services for evicted tenants ranging from homeless shelter to increased health care costs and the costs of countering the disruption of an evicted child’s education.

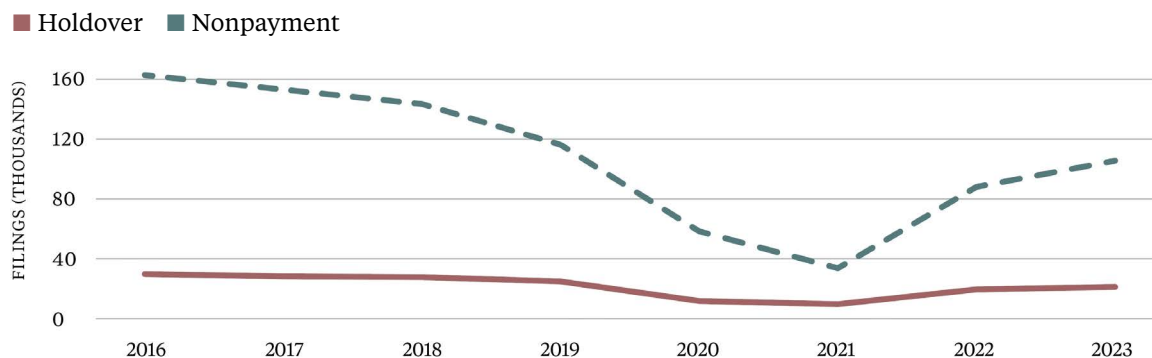
36. N.Y. Real Prop. Acts. Law § 711 (McKinney).

37. Residential Landlord Tenant L. in N.Y. § 8:1.

38. The 2023 Housing and Vacancy Survey included questions about missed rent payments: 13% of all renters, and 18% of renter households with incomes at or below \$49,999 reported missing one or more rent payments in the year before the survey, and 34% of all renters reported that they were in arrears at the time of the survey. 2023 New York City Housing and Vacancy Survey: Selected Initial Findings, 21-22 (Feb. 2024). See also Mironova, O., Stein, S., & Thompson, I. (2024, January). Right to Counsel Works: Why Won’t the City and State Use it to Stop More Evictions? *Community Service Society*. <https://www.cssny.org/publications/entry/right-to-counsel-works-why-wont-the-city-and-state-use-it-to-stop-more-evic> (finding that 20% of those surveyed reported being behind on rent in 2023).

### Figure Three: Total Eviction Filings

Cases Filed in New York City from 2016-2023 in Units Other Than NYCHA



Sources: NYS Office of Court Administration, NYU Furman Center

### How might a good cause requirement affect nonpayment evictions?

As discussed above, other than anecdotes the media have reported, we do not have data to determine the role rent increases play in nonpayment evictions. Research about what leads to eviction suggests that evictions are primarily driven by such factors as job loss,<sup>39</sup> changes in the household composition from, for example, the end of relationships,<sup>40</sup> deep poverty and chronic financial precarity,<sup>41</sup> and emergencies such as a health crisis or car breakdown.<sup>42</sup> Those very serious threats to tenant stability are not addressed by a good cause requirement—they require financial and other assistance.

The effect of a good cause requirement on those nonpayment cases where part of the rent due stems from an increase above what the Salazar/Hunter bill defines as reasonable will depend upon how much a requirement raises the landlord's costs in litigating eviction actions.<sup>43</sup> As discussed above, the requirement could lead some tenants to withhold payment and challenge any nonpayment action that includes rents due from an increase that would be considered unreasonable under the Salazar/Hunter proposed legislation. In cases in which the tenant is challenging the reasonableness of an increase, the requirement will force landlords to document the special financial circumstances that justify an increase above the amount deemed "reasonable." That likely will lengthen the time eviction

39. Desmond, M., & Gershenson, C. (2017). Who Gets Evicted? Assessing Individual, Neighborhood, and Network Factors. *Social Science Research* 62, 362-377. <https://doi.org/10.1016/j.ssresearch.2016.08.017>.

40. Desmond, M., & Perkins, K. L. (2016). Housing and Household Instability. *Urban Affairs Review*, 52(3), 421-436. <https://doi.org/10.1177/1078087415589192>

41. Desmond, M. (2012). Eviction and the Reproduction of Urban Poverty. *American Journal of Sociology*, 118(1). <https://doi.org/10.1086/666082>

42. Affordable Housing, Eviction, and Health. (2021). *Evidence Matters*. <https://www.huduser.gov/portal/periodicals/em/Summer21/highlight1.html>

43. For evidence that increased costs associated with eviction filings drive landlords' decisions about whether to file, see Gomory, H., Massey, D. S., Hendrickson, J. R., & Desmond, M. (2023). The Racially Disparate Influence of Filing Fees on Eviction Rates. *Housing Policy Debate*, 1-21. <https://doi.org/10.1080/10511482.2023.2212662>.

proceedings take, which both increases further a landlord's legal costs (as well as the costs to the government of providing legal assistance to low-income tenants facing eviction, and the costs to the judicial system) and delays the recovery of any eventual judgment. Those delays could be especially acute in the first few years after any requirement is put in place, as Housing Court judges determine the procedures and legal questions that the issue of reasonableness would involve.

The added cost of justifying an increase could make a landlord more willing to work out a payment plan outside the eviction process, or less inclined to raise the rent beyond the amount deemed reasonable. But it is also possible that a limit will have either little effect on how often landlords seek to evict for nonpayment (if, for example, the landlord believes that the tenant is not a reliable payer, and therefore considers expected future losses) or lead landlords to invoke grounds in addition to nonpayment to justify the eviction with less costly delays. In addition, the higher the costs of an eviction proceeding, the more the landlord will be likely to take measures to mitigate risk—like more rigorous screening of tenants, as discussed below, to secure tenants more likely to pay the rent, or higher upfront fees charged upon lease signing—and the higher the landlord may need to raise the rents for all tenants to cover the costs imposed by non-paying tenants.

### **How might a good cause requirement affect holdover evictions?**

A good cause requirement will be even more likely to increase the costs to the landlord of dealing with a tenant the landlord considers to be problematic for reasons other than (or in addition to) nonpayment. As explained in the Primer at the end of the brief, if a landlord believes that the tenant has breached the lease in significant ways, committed a nuisance, or used the premises for illegal purposes, and the landlord wants to end the lease before its term expires, the landlord now has to file an eviction action and prove those violations. To the extent the basis for the eviction filing fits under the exceptions in a good cause requirement, the landlord's path would remain the same. But currently, a landlord who believes a tenant is in breach of the lease or other legal obligations has the option of waiting until the lease term has ended and refusing to renew the lease, rather than seeking an eviction. Similarly, if a tenant does not have a written lease, the landlord can ask the tenant to leave (subject to any notice requirements that might apply). Some tenants will leave when the lease ends and the landlord refuses to renew the lease, or when the landlord tells a tenant without a written lease to leave; others will hold over. Under current law, if the tenant holds over, the landlord must file an eviction action and prove that the lease expired,

or that there is no lease. Under the proposed good cause requirement, however, the landlord would have to prove that the nonrenewal or refusal to allow the tenant to continue in possession was justified by one of the reasons designated as good cause.

That requirement likely will add time and expense to holdover proceedings. Proving instances of lease violations, nuisance, or illegal activity will be more difficult than simply showing that the lease has expired or that the tenant doesn't have a lease. It is difficult to predict how those additional expenses will affect the number of holdover actions, which has hovered between 16 to 22 percent of all eviction actions filed. Landlords will have to take into account the extra costs a requirement would add to a decision to refuse to renew the lease or continue the tenancy without a lease, and will likely make that determination based upon whether the costs of renewing or continuing (such as the probability that the tenant will fall behind on rent in the future, damage the unit, or cause harm to other residents) outweigh the costs of proving grounds for an eviction (as well as the costs of finding a new tenant). If landlords are now refusing to continue tenancies arbitrarily, without good cause, the requirement could reduce eviction filings. If, on the other hand, owners will generally be able to prove good cause, the requirement could have little effect on filings (depending on the costs the requirement imposes), or increase the number of eviction filings if even those tenants who believe that the landlord will be able to establish good cause refuse to leave the rented home because forcing the landlord to go to court almost certainly will give the tenant more time in the unit and more time to find a new home. Even if the landlord is able to establish good cause, the added time the tenant gets to stay in the apartment may increase the amount the landlord will have to try to collect.<sup>44</sup> If the landlord can't collect the judgment, the landlord will suffer additional loss of income for the time the Housing Court process takes, which as discussed in the Primer at the end of the brief, can be considerable.<sup>45</sup>

Landlords accordingly will have to take into account the extra costs a requirement would add to a decision to refuse to renew the lease or continue the tenancy without a lease, and will likely make that determination based upon whether the costs of renewing or continuing (such as the probability that the tenant will fall behind on rent in the future, damage the unit, or cause harm to other residents) outweigh the costs of proving grounds

44. That does not mean, however, that tenants will not have to pay the back rent – landlords often sell judgments that they do not believe they can collect to collection agencies (for a fraction of the judgment amount), and those agencies likely will continue to try to collect the debt.

45. After 2 adjournments requested by tenant (not including one adjournment by an unrepresented tenant for the purpose of securing a lawyer) or 60 days after first appearance, judges may ("upon consideration of the equities" and in response to a petitioner's motion) order a tenant to deposit rent that comes due after the court's order in escrow with the court. RPAPL §745(2)(a).



for an eviction (as well as the costs of finding a new tenant). While it is difficult to predict how the requirement will affect eviction filings, there is a not insignificant risk that it will increase the frequency of holdover actions.

Research about whether good cause requirements cause eviction filings to decrease is difficult because filing rates may be affected by many different factors both in the national and state economies, and in the local jurisdiction. The one frequently cited study compares four California cities with good cause mandates against other California cities chosen as “controls” because of their similarities to the good cause cities.<sup>46</sup> The study finds that the difference in eviction filing rates before and after a city enacted a good cause mandate, compared to the difference over the same period in the control city (or cities) (what econometricians call a “difference in difference” methodology) suggests a decrease in the eviction filings in the cities with good cause laws in place relative to the controls. Eviction filing rates did not fall in absolute terms, however, in three of the four cities adopting good cause mandates. The study focuses on rates of eviction judgments, and reveals less about the eviction filing rates (which are more relevant to evaluating how a good cause requirement would affect landlord behavior), so it is hard to assess what changes in the trends might account for the findings about the relative difference in eviction filings. Further, the cities adopted their mandates over an eight year period, so the pre-trends used to evaluate the “difference in difference” in cities adopting later than others may have been influenced by landlords’ understanding that mandates might be coming. That is troubling because when the analysis is done for each of the four cities separately, the finding that eviction filings fell, relative to the control cities, is statistically significant only for one of the four cities.

### **How Might a Good Cause Requirement Affect Retaliatory Evictions and Discrimination?**

As noted earlier, one argument for a good cause requirement asserts that it is necessary to protect people who complain about the condition of their homes or of the building or grounds, or about some other aspect of the tenancy.<sup>47</sup> Until 2019, under the New York Real Property Law § 223-b, any eviction proceeding brought against a tenant who had filed a good faith complaint to an enforcement agency within the prior six months was presumed to be retaliatory, and the landlord bore the burden of establishing a non-retaliatory motive for the

46. Cuellar, J. (2019, May 21). Effect of “Just Cause” Eviction Ordinances on Eviction in Four California Cities. *Journal of Public and International Affairs*. <https://jpia.princeton.edu/news/effect-just-cause-eviction-ordinances-eviction-four-california-cities>.

47. Housing Justice for All. (2024, January 24). Good Cause, Our Platform. <https://housingjusticeforall.org/our-platform/good-cause/>



proceeding.<sup>48</sup> In 2019, tenant advocates secured significantly stronger protections against retaliatory evictions and refusals to renew in the Housing Stability and Tenant Protection Act (HSTPA).<sup>49</sup> The presumption of retaliation was increased to one year following a good faith complaint,<sup>50</sup> coverage was extended to nonpayment proceedings and “unreasonable” rent increases, the presumption of retaliation was extended to complaints made to landlords or their agents, and the standard for the landlord’s rebuttal of the presumption was made stricter.<sup>51</sup>

The Salazar/Hunter proposed good cause requirement may interact with HSTPA to make landlords asserting good cause face a heightened burden of proof for those tenants who take actions protected by the retaliatory eviction provisions. Under HSTPA, a tenant already can assert that a landlord’s eviction filing is retaliatory, and enjoy a presumption of retaliation for one year following a complaint. A good cause requirement, however, could change how the landlord can overcome the presumption of retaliation. Currently, the landlord can assert reasons that would not satisfy the good cause requirement, but nevertheless may convince the court that the landlord does not have a retaliatory motive. A landlord, for example, could overcome the presumption of retaliation by showing that the motive for refusing to renew a lease is to use the apartment for the landlord’s family in circumstances that don’t meet the good cause limitations on retaking possession for personal use.<sup>52</sup> By limiting the reasons a landlord can assert to disprove retaliation to those deemed good cause, a good cause requirement might be interpreted to heighten the landlord’s burden of proof: the landlord must both prove good cause and overcome a presumption that even what would otherwise constitute good cause is retaliatory for one year after a protected action. That burden could make eviction more difficult, and could also lead some tenants concerned about the possibility of an eviction filing to lodge complaints or take other protected actions in order to make the landlord’s burden of proof more difficult.

48. Housing Stability and Tenant Protection Act, 2019 N.Y. Sess. Laws Ch. 36 (McKinney).

49. N.Y. Real Prop. Law § 223-b (Consol. 2023).

50. Most states provide such a presumption for three to six months. See, e.g., Cal. Civ. Code § 1942.5 (Deering 2023); D.C. Code § 42-3505.02 (2024); Mass. Gen. Laws Ann. ch. 186, § 18 (West 2023); 34 R.I. Gen. Laws. § 34-18-46 (2023); Wash. Rev. Code Ann. § 59.18.250 (LexisNexis 2023).

51. Lebovits, G., Lansden, J., & Howard, D. (2019, December 1). Housing Stability and Tenant Protection Act of 2019 Part III—What Lawyers Must Know. New York State Bar Association. <https://nysba.org/nys-housing-stability-and-tenant-protection-act-of-2019-part-iii-what-lawyers-must-know/>

52. See, e.g., Douglas Lowe, Retaliatory Eviction Protection in New York--Unraveling Section 223-b, 48 Fordham L. Rev. 861 (1980). Available at: <https://ir.lawnet.fordham.edu/flr/vol48/iss5/9> (“The section 223-b standard is a not-for-bad-cause eviction standard<sup>76</sup> rather than a good cause standard.”)

The proposed requirement does little to increase protections against discrimination beyond those already available through existing anti-discrimination laws.<sup>53</sup> Again, landlords seeking to disprove claims of discrimination by showing other motives may have a much more limited set of reasons they can offer, but it is unclear exactly how the courts will harmonize the good cause requirement with the burdens of proof regarding discrimination.

### **Might a Good Cause Requirement Affect the Screening of Prospective Tenants?**

Because a good cause requirement may add to the time and expense of ending the lease of a tenant the landlord finds undesirable, an unintended consequence of a good cause requirement might be that some landlords will screen applicants for their housing more rigorously.<sup>54</sup> While landlords are constrained in how they select tenants by the Fair Housing Act,<sup>55</sup> and by limits on using eviction records,<sup>56</sup> those restrictions are often underenforced, and violations are difficult and costly to prove.<sup>57</sup> Landlords can gather information legally from a number of sources, such as references from previous landlords, to try to secure tenants most likely to have a long term tenancy that the landlord considers successful. Screening more rigorously could involve requiring more information about the applicant or refusing to rent to people with relatively short stays in their rental history. More landlords also may require guarantors to insure against nonpayment or damage to the unit, or because the landlord believes guarantors provide useful signals about the probability of a successful tenancy.

Many, if not most, professional management companies already screen as rigorously as the law allows. But owners of smaller buildings and portfolios may not. The most recent survey of those owners, for example, shows that they are less likely than owners of 50 or more units across multiple buildings “to use third party online screening services that bring together data on a renter’s income, credit, evictions and criminal records, and produce

53. Fair Housing Act, 42 U.S.C. § 3601 (1968); N.Y. Exec. Law, § 296 (Consol. 2023); N.Y.C. Admin. Code § 8-107 (5).

54. For evidence that landlords respond to regulations by increasing their screening of applicants, see Ambrose, B., & Diop, M. (2018). “Information Asymmetry, Regulations and Equilibrium Outcomes: Theory and Evidence from the Housing Rental Market.” *Real Estate Economics* 49, no. S1 (2018): 74-110. <https://doi.org/10.1111/1540-6229.12262>. For evidence about how landlords use screening in low-income neighborhoods, see Rosen, E., Garboden, P. M. E., & Cossyleon, J. E. (2021). Racial Discrimination in Housing: How Landlords Use Algorithms and Home Visits to Screen Tenants. *American Sociological Review* 86(5), 787-822. <https://doi.org/10.1177/00031224211029618>.

55. Fair Housing Act, 42 U.S.C. § 3601; N.Y. EXEC. LAW § 296(16) (Consol. 2023); U.S. Dep’t of Hous. and Urb. Dev., Implementation of the Office of General Counsel’s Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions (2022), <https://www.hud.gov/sites/dfiles/FHEO/documents/Implementation%20of%20OGC%20Guidance%20on%20Application%20of%20FHA%20Standards%20to%20the%20Use%20of%20Criminal%20Records%20-%20June%2010%202022.pdf>.

56. N.Y. Real Prop. Law § 227-f (Consol. 2023); Housing Stability and Tenant Protection Act, 2019 N.Y. Sess. Laws Ch. 36 (McKinney).

57. See Halm, B. & Blumsack, A. (2022, October 27). Opinion: NYC Needs Better Enforcement Against Housing Discrimination. *City Limits*. <https://citylimits.org/2022/10/27/opinion-nyc-needs-better-enforcement-against-housing-discrimination/>; Thakore, I. (2023, July 6). Plagued by staff shortage, NYC agency fails to make determinations in most discrimination cases. *Gothamist*. <https://gothamist.com/news/plagued-by-staff-shortage-nyc-agency-fails-to-make-determinations-in-most-discrimination-cases>.

a report or score that describes how “risky” the applicant would be to rent to.”<sup>58</sup> Instead, owners of the smallest number of units are more likely to rely most heavily on credit checks and personal interviews.<sup>59</sup> If screening rigor were to increase, tenants with short or spotty rental records, low or variable incomes, no access to guarantors (or other characteristics landlords may adopt to assess applicants) may find it harder to secure homes in the small buildings the good cause requirement would target. Further, there may be some instances in which a landlord has good cause, and under the present regime the tenant would agree to surrender possession without going to housing court, but under a good cause regime will stay in possession and litigate the issue, which will leave an eviction filing on the tenant’s record. In New York, landlords are prohibited from using prior evictions or other legal disputes between a landlord and tenant to refuse to rent to a particular applicant,<sup>60</sup> but the presence of an eviction record could affect tenants who try to secure a tenancy in other states (and may affect other decisions about the tenant because the eviction may appear in the tenant’s credit history).

### How Might a Good Cause Requirement Affect the Supply of Rental Housing?

Another unintended consequence of a good cause requirement may be conversion of rental housing into other uses not subject to the good cause requirement (and other regulations specific to rentals), and reduced investment in new and existing rental housing.<sup>61</sup> Owners may, for example, convert rentals into condominium forms of home ownership (although condo owners who rent out their units would be subject to the good cause requirements under the Salazar/Hunter bill). Investors in new construction who believe that the requirement makes owning a rental property less profitable or riskier may choose to invest in other types of housing, such as condominiums or other for-sale housing, or to invest in other jurisdictions or industries.

58. Manji, S and Decker, N., 2024. Management of Small Multifamily Rental Properties: New Insights on an Overlooked Part of the Rental Market (Terner Center). <https://ternercenter.berkeley.edu/wp-content/uploads/2024/01/Ownership-and-Management-of-Small-Multifamily-Rental-Properties-January-2024-Final.pdf>, at 8-9. Note that in New York City, landlords would not be able to screen based upon eviction records and some criminal justice involvement records.

59. Manji, S and Decker, N., 2024. Management of Small Multifamily Rental Properties: New Insights on an Overlooked Part of the Rental Market (Terner Center). <https://ternercenter.berkeley.edu/wp-content/uploads/2024/01/Ownership-and-Management-of-Small-Multifamily-Rental-Properties-January-2024-Final.pdf>.

60. N.Y. Real Prop. Law § 227-f (Consol. 2023).

61. Owners also may decide that the costs of a good cause requirement make it more profitable to use their properties for short term rentals (which will likely be illegal under the City’s regulations, but may escape enforcement). N.Y.C. Admin. Code § 26-3102; Velsey, K. (2023, November 28). The ‘Airbnb Alternative’ Black Market. *Curbed*. <https://www.curbed.com/2023/11/airbnb-alternative-black-market-craigslist-nyc-crackdown.html>; Brand, D. (2023, September 13). NYC’s new black market for short-term rentals: A throwback to the time before Airbnb. *Gothamist*. <https://gothamist.com/news/nycs-new-black-market-for-short-term-rentals-a-throwback-to-the-time-before-airbnb>; Hoover, A. (2023, October 9). New York’s Airbnb Ban Is Descending Into Pure Chaos. *Wired*. <https://www.wired.com/story/airbnb-ban-new-york-illegal-listings/>.

The closest analog to good cause requirements are rent regulation systems. There is considerable evidence that rent regulation, especially regimes that do not allow vacancy decontrol, result in conversions and lead to decreased investment in rental properties.<sup>62</sup> Good cause requirements that require landlords to prove one of a limited set of specified reasons for evicting a tenant or refusing to renew a lease or continue a tenancy (and limit only unusually steep increases in rents) would likely impose fewer costs on landlords than broader rent regulation. But as a good cause scheme becomes increasingly similar to rent regulation, the experience under rent regulation systems will be relevant to good cause requirements.

Developers have still built rental housing in New York City even when some of that housing was subject to rent regulation as a requirement of receiving property tax relief or other government subsidies. But the level of production of rental housing has been insufficient to meet needs for some time.<sup>63</sup> Further, that experience pre-dated the Housing Stability and Tenant Protection Act of 2019, which appears to be having a significant effect on investment in rental buildings covered by that law.<sup>64</sup>

62. See Diamond, R., McQuade, T., & Qian, F. (2019). The effects of rent control expansion on tenants, landlords, and inequality: Evidence from San Francisco. *American Economic Review*, 109(9), 3365-3394 <https://doi.org/10.1257/aer.20181289>; Kholodilin, K. A., & Kohl, S. (2023). Do rent controls and other tenancy regulations affect new construction? Some answers from long-run historical evidence. *International Journal of Housing Policy*, 1-21. <https://doi.org/10.1080/19491247.2022.2164398>; Kholodilin, K. A., & Kohl, S. (2023). Social policy or crowding-out? Tenant protection in comparative long-run perspective. *Housing Studies*, 38(4), 707-743 <https://doi.org/10.1080/02673037.2021.1900796>; Kholodilin, K. A. (2022). Rent control effects through the lens of empirical research: An almost complete review of the literature. <https://www.econstor.eu/bitstream/10419/266608/1/1826442545.pdf>; Marsh, A., Gibb, K., & Soaita, A. M. (2023). Rent regulation: unpacking the debates. *International Journal of Housing Policy*, 23(4), 734-757. <https://doi.org/10.1080/19491247.2022.2089079>; Pastor, M., Carter, V., & Abood, M. (2018). Rent matters: What are the impacts of rent stabilization measures?. *Los Angeles: USC Dornsife Program for Environmental and Regional Equity*. <https://aagla.org/wp-content/uploads/2019/10/USC-Dornsife-Rent-Matters.pdf>; Rajasekaran, P., Treskon, M., & Greene, S. (2018, January). Rent Control: What Does the Research Tell us about the Effectiveness of Local Action? *Urban Institute*. [https://www.urban.org/sites/default/files/publication/99646/rent\\_control\\_what\\_does\\_the\\_research\\_tell\\_us\\_about\\_the\\_effectiveness\\_of\\_local\\_action\\_1.pdf](https://www.urban.org/sites/default/files/publication/99646/rent_control_what_does_the_research_tell_us_about_the_effectiveness_of_local_action_1.pdf).

63. Been, V., Rosoff, S., & Yager, J., (2018). Changes in New York City's Housing Stock in *State of New York City's Housing and Neighborhoods: 2017*. Furman Center. [https://furmancenter.org/files/sotc/SOC\\_2017\\_FOCUS\\_Changes\\_in\\_NYC\\_Housing\\_Stock\\_1JUN2018.pdf](https://furmancenter.org/files/sotc/SOC_2017_FOCUS_Changes_in_NYC_Housing_Stock_1JUN2018.pdf)

64. Housing Stability and Tenant Protection Act: An Initial Analysis of Short Term Trends (2021) (Furman Center). [https://furmancenter.org/files/Rent\\_Reform\\_7\\_1\\_A\\_remediated.pdf](https://furmancenter.org/files/Rent_Reform_7_1_A_remediated.pdf)

# Section Three: Learning from Jurisdictions That Have Enacted Good Cause Requirements

Given the potential benefits and risks of a good cause requirement, New York State policy-makers must consider both how best to strike an efficient and fair balance between those tradeoffs if they choose to impose a good cause requirement, and whether there are other tools to secure greater tenant stability that impose fewer risks and potential costs than a good cause requirement. This section addresses the first question by examining how other jurisdictions have structured their good cause requirements, drawing from legislation in cities like Seattle, Washington, DC and Berkeley, California that have had good cause eviction ordinances for decades, to cities and states like Oregon and California that adopted statutes in the last few years.<sup>65</sup> Our aim is to help show the nuances that may spark ideas about how stakeholders in the debate in New York might find the right balance between promoting housing stability and minimizing the costs of a good cause requirement. The next section will then turn to possible alternatives to a good cause requirement.

## What Types of Housing or Tenancies Should Good Cause Legislation Govern?

Most good cause provisions exempt certain types of housing. Common exemptions include the owner-occupied housing<sup>66</sup> and housing already protected by other regulations or

65. See, e.g., (2024). Evanston proposed “just cause” evictions, tenant protections. The Real Deal (Chicago). <https://therealdeal.com/chicago/2024/01/29/evanston-proposes-tenant-protections-just-cause-evictions/>

66. While many jurisdictions exempt owner-occupied housing, the definition of such housing varies. Owner-occupied is frequently defined as the landlord owning two or fewer units on the same property and occupying one of them. In California, for example, a two-unit property where the second unit is occupied by the owner for the entirety of the period of the tenancy is exempt, as are housing accommodations where the tenant shares a bathroom or kitchen facilities with the owner and the owner lives at the property as their principal residence. Cal. Civ. Code § 1946.2(e)(4), (6) (effective Jan. 1, 2024), [https://leginfo.ca.gov/faces/codes\\_displaySection.xhtml?sectionNum=1946.2&nodeTreePath=8.4.76.3&lawCode=CIV](https://leginfo.ca.gov/faces/codes_displaySection.xhtml?sectionNum=1946.2&nodeTreePath=8.4.76.3&lawCode=CIV); see also N.H. Rev. Stat. §§ 540:1-a(1), 540:2(1) (2023) (effective Jan. 1, 2014), <https://www.gencourt.state.nh.us/rsa/html/lv/540/540-mrg.htm> West, Westlaw 19852022 (owner-occupied rental buildings with four or fewer units are not covered by good cause requirement); Or. Rev. Stat. § 90.427(8) (current through 2023), [https://www.oregonlegislature.gov/bills\\_laws/ors/ors090.html](https://www.oregonlegislature.gov/bills_laws/ors/ors090.html) OR SB 608 (exempting landlord who owns two or fewer units on the same property and lives in one of the units). New Jersey also exempts, as owner-occupied, units that are permanently occupied by an immediate family member of the unit’s owner who has a developmental disability. N.J. Rev. Stat. § 2A:18-61.1 (current through N.J. 220th First Ann. Session, 2022) (exempting owner-occupied premises with two or fewer rental units, and dwelling units that are permanently occupied by an immediate family member of the unit’s owner who also has a developmental disability).

agreements that the Salazar/Hunter proposal exempts. But many jurisdictions also exempt relatively **small buildings**. Landlords of small buildings tend to file evictions at a far lower rate than those in larger buildings.<sup>67</sup> In New York City, for example, although 1- to 5-unit buildings make up 27.9 percent of the total rental housing stock, they account for only 10.9 percent of the eviction filings. The exemption of small buildings also may reflect concerns that adding delays and cost to the owners of that housing could result in increased rents for housing that is often available at lower rents than larger buildings.<sup>68</sup> Figure One (See Appendix for figures) provides an estimate of the unregulated rented homes in buildings that the Salazar/Hunter bill would cover, based on building size, as well as information about the median rent in each category. Table Two shows the eviction filing rates for those property sizes. Looking at both datasets reveals that exempting smaller four- and five-unit properties from a good cause requirement would have denied the primary benefit of a good cause requirement to the 2,177 households that had an eviction filed against them in those buildings in 2023. Buildings of that size have a very low eviction filing rate (just 2.06 percent, far below the 6.29 percent rate for all buildings), and a small share of those filings result in an executed warrant. Those facts suggest that a far larger number of tenants—about 165,000 households in those buildings that did not have an eviction filed against them in 2023—could benefit from being exempted from a good cause requirement that may impose costs on the operation of the buildings that could result in higher increases in their rents. Similarly, the eviction filing rate in rented homes in six to nine-unit buildings is so much lower than the citywide average (2.76 percent versus 6.29 percent), that the costs a good cause requirement could impose may outweigh the benefits for tenants in those buildings.

67. Gomory, H. (2022). The Social and Institutional Contexts Underlying Landlords' Eviction Practices, *Social Forces*, Volume 100 (4): 1774–1805. <https://doi-org.proxy.library.nyu.edu/10.1093/sf/soab063> (large landlords – those with 15 or more buildings – filed two to three times as many evictions actions as those landlords who owned few buildings).

68. Manji, S and Decker, N., 2024. Management of Small Multifamily Rental Properties: New Insights on an Overlooked Part of the Rental Market (Turner Center). <https://turnercenter.berkeley.edu/wp-content/uploads/2024/01/Ownership-and-Management-of-Small-Multifamily-Rental-Properties-January-2024-Final.pdf>, at 10–11.

**Table Two: Eviction Filing Counts, Rates, and Share of Filings that Result in Executed Warrants, by Building Size**

	<i>Non-NYCHA Rental Unit (regulated and unregulated) (2021)</i>	<i>Non-NYCHA Filings (2023)</i>	<i>Filings per 100 Units (2023)</i>	<i>Cases with Executed Warrants (2017/2018)</i>
Citywide	1,998,433	125,724	6.29	8.5%
1 Unit Buildings	74,380	1,742	2.34	23.7%
2 Unit Buildings	244,943	6,385	2.61	20.8%
3 Unit Buildings	180,446	3,309	1.83	19.4%
4-5 Unit Buildings	105,689	2,177	2.06	16.0%
6-9 Unit Buildings	168,549	4,657	2.76	9.3%
10+ Unit Buildings	1,397,035	88,324	6.32	6.7%

Sources: NYS Office of Court Administration, New York City Housing and Vacancy Survey (2021), NYU Furman Center

Some discussions about good cause have raised the idea of exempting **landlords who own a relatively small number of units**. The challenge in implementing such an exemption lies in the complexity of tracing ownership of rental properties. Landlords often establish a limited liability corporation (LLC) to hold individual buildings, which complicates the identification of the actual owners, due to the opaque structure of LLCs. This complexity makes that approach very difficult to monitor and enforce any exemptions based on the number of units owned.<sup>69</sup> Those difficulties may explain why most jurisdictions instead exempt smaller buildings, even if (in theory) one owner may hold many such small buildings.

Some good cause statutes and ordinances exempt **newer rental buildings** to avoid discouraging rental housing construction. In California, for instance, units constructed in the previous 15 years (on a rolling basis) are exempt.<sup>70</sup> Whether 15 years is the right exemption period will depend upon a financial analysis of whether the return on investment in rental buildings within the first 15 years is sufficient to attract the investment, an issue that the state's housing agencies could help to answer.

69. Mykulyn, B. & Raymond, E. (2022). When Landlords Hide Behind LLCs. Shelterforce. <https://shelterforce.org/2022/08/23/when-landlords-hide-behind-llcs/>; Small, E. & Garber, N. (2023, December 23). Hochul signs weakened LLC unmasking bill, removing public access. Crain's New York Business. <https://www.craigslistnewyork.com/politics-policy/kathy-hochul-signs-weakened-llc-transparency-bill-removing-public-access>.

70. Cal. Civ. Code § 1946.2(e)(7).



Jurisdictions also frequently exempt certain types of *institutional units*. California, for example, exempts dormitories owned and operated by an institution of higher education or an elementary, middle or high school, and housing accommodations in nonprofit hospitals or in religious facilities, as well as extended care facilities, licensed residential care facilities for the elderly, or adult residential facilities.<sup>71</sup> San Jose exempts hotels and motels.<sup>72</sup> The Salazar/Hunter proposed good cause requirement does not offer any of those exemptions, but we know little about evictions from such housing, and applying a good cause requirement to those types of housing raises many difficulties for institutions that provide housing as part of educational, health, or other specific programs, and for the owners and operators of transient housing like hotels and motels.

Another exemption sometimes used is *for tenants who have not lived in their apartments for some minimum time*. In Oregon, for example, good cause provisions do not apply during the first year of any tenant’s occupancy.<sup>73</sup> Similarly, in California, tenants must have continuously and lawfully occupied the property for at least twelve months to receive good cause protection.<sup>74</sup> Washington state does not apply the good cause requirement to a refusal to renew upon the end of an initial six to twelve month fixed period lease.<sup>75</sup> Such a “trial” period for a tenancy may allow landlords to refuse to renew leases for newer tenants who are problematic without the expense of a holdover action, while still protecting the expectations and stability of longer-term tenants. But it might also result in “churning” tenants in order to avoid the good cause requirements.

### What Constitutes “Good Cause” for Eviction or Refusal to Renew?

Policymakers must decide what grounds warrant termination of a tenancy or provide adequate grounds to refuse to renew a lease. Several grounds are commonly shared across the good cause provisions in effect nationwide,<sup>76</sup> but good cause provisions vary in the

71. Cal. Civ. Code § 1946.2(e)(2).

72. San Jose, Cal., Mun. Code § 17.23.1230 (2017), [https://library.municode.com/ca/san\\_jose/codes/code\\_of\\_ordinances?nodeId=TTT17BUCO\\_CH17.23REDIMEARDWUNEXMOMOPA\\_PT12TEPR](https://library.municode.com/ca/san_jose/codes/code_of_ordinances?nodeId=TTT17BUCO_CH17.23REDIMEARDWUNEXMOMOPA_PT12TEPR).

73. Ore. Rev. Stat. § 90.427 (current through early 2024).

74. Cal. Civ. Code § 1946.2(a). If additional adults join the lease before an existing tenant has been there lawfully for twenty-four months, then the ordinance will only apply if all the tenants have lived in the unit for over a year, or if one or more tenants have occupied the unit for at least two years. *Id.*

75. Wash. Rev. Code § 59.18.650(1)(b)-(c) (effective 2021), <https://app.leg.wa.gov/RCW/default.aspx?cite=59.18.650&pdf=true>. Washington’s statute exempts tenancies in which: a) the landlord and tenant agreed upon an initial tenancy for a fixed period of between six and twelve months, to be continued indefinitely on a periodic basis after the expiration of that fixed period, and the landlord wishes to cancel at the end of the fixed period; or b) the parties agreed upon a fixed tenancy of a year or more, or have continuously entered into successive fixed tenancies of at least six months, and the landlord wishes to cancel at the end of the fixed period.

76. Vasquez, J. & Gallagher, S. (2022, May 18). Promoting Housing Stability Through Just Cause Eviction Legislation. National Low-Income Housing Coalition. <https://nlihc.org/sites/default/files/Promoting-Housing-Stability-Through-Just-Cause-Eviction-Legislation.pdf>



number of enumerated grounds and the level of detail provided for each. New Jersey has over a dozen enumerated and detailed grounds, for instance, while New Hampshire has seven broad grounds.<sup>77</sup>

### Common At-Fault Grounds Considered Good Cause for Eviction or Non-Renewal

The “at-fault” grounds for eviction or non-renewal that are most commonly allowed in good cause legislation include:

- Failure to pay rent
- Breach of a material term of the lease
- Nuisance
- Waste (damage to, or neglect of, the property)
- Criminal activity or using the premises for a purpose that is unlawful even if not criminal.

Even within those common categories, there are variations, however. Several states and municipalities, such as Washington, D.C., specify that a landlord seeking to evict a tenant due to breach of lease term must first give the tenant a chance to cure the breach.<sup>78</sup> Washington state requires four violations within a twelve-month time period preceding the end of the lease term before a tenant can be evicted on the ground of breach of lease.<sup>79</sup> New Jersey is more specific about criminal activity, allowing eviction or non-renewal of a lease only where a person has been convicted or pled guilty to certain drug offenses, property theft, assault or terroristic threatening of landlords, their family members or employees, or when a tenant is found liable in a civil action for involvement in criminal activities.<sup>80</sup>

77. N.J. Rev. Stat. § 2A:18-61.1 (current through N.J. 220th First Ann. Session, 2022); N.H. Rev. Stat. Ann. § 540:2 (effective Jan. 1, 2014)

78. D.C., Code of the Dist. of Colum. § 42–3505.01(b) (current through Jan. 12, 2024), <https://code.dccouncil.gov/us/dc/council/code/sections/42-3505.01>.

79. Wash. Rev. Code § 59.18.650(2)(n)(i) (effective 2021). Similarly, Oregon’s legislation provides that a landlord may refuse to renew a lease if a tenant with a fixed term lease violated that lease three times in the prior twelve months, and received proper written notice after each violation. Or. Rev. Stat. § 90.427 (current through 2023).

80. N.J. Rev. Stat. § 2A:18-61.1(p). New Jersey also specifies that in public or subsidized housing, substantially violating or breaching any covenants or agreements contained in the lease pertaining to illegal uses of controlled dangerous substances or other illegal activity will be grounds for eviction. Id. § 2A:18-61.1(e)(2). See also 42 U.S.C. § 1437d(l), which provides that in federal public housing, “any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other tenants or any drug-related criminal activity on or off such premises, engaged in by a public housing tenant, any member of the tenant’s household, or any guest or other person under the tenant’s control, shall be cause for termination of tenancy”; and 24 C.F.R. § 966.4(f)(12), (l)(5) (laying out tenant’s obligation in federal public housing to not engage in criminal activity, and providing criminal activity as a ground for termination of tenancy and eviction). In Washington state, landlords can evict a tenant or refuse to renew a lease if a tenant is required to register as a sex offender during the tenancy; a tenant failed to disclose that they were required to register as a sex offender when disclosure was requested in the rental application or by the property owner; or a tenant makes unwanted sexual advances to, or directs acts of sexual harassment at, the property owner, property manager, property employee, or another tenant based on that person’s protected status. Wash. Rev. Code § 59.18.650(2)(p).

Other “at-fault” grounds for eviction are less widespread, but include:

- Refusing entry by the owner<sup>81</sup>
- Habitual late payment<sup>82</sup>
- End of employment if a tenant’s residence on a property is conditioned on their employment at the property<sup>83</sup>
- Aging out of, or completing, a transitional program linked to housing.<sup>84</sup>

Finally, several statutes include broad language which may be used by landlords to justify non-enumerated grounds for eviction. New Hampshire’s provision allows eviction for “other good cause,” which “includes, but is not limited to, any legitimate business or economic reason and need not be based on the action or inaction of the tenant, members of his family, or guests,” but requires the landlord to give the tenant written warning that particular behavior will be grounds for eviction, and only evict if the tenant repeats the behavior.<sup>85</sup> Similarly, Washington state notes that a “legitimate economic or business reason” not covered in the statute may be cause for the termination of tenancy.<sup>86</sup> While helpful to address unusual situations, such ambiguous provisions could undermine the intent of a good cause requirement if broadly construed.

81. Cal. Civ. Code § 1946.2(b)(H) (effective Jan. 1, 2024); Id. § 1954 (effective Jan. 1, 2019), [https://leginfo.ca.gov/faces/codes\\_displaySection.xhtml?lawCode=CIV&sectionNum=1954](https://leginfo.ca.gov/faces/codes_displaySection.xhtml?lawCode=CIV&sectionNum=1954) (refusing entry even once is a ground for eviction if the owner gives reasonable notice of intent to enter during normal business hours, with exceptions to the notice requirement in emergencies, if the tenant is present and consents to entry, or if the tenant has abandoned or surrendered the unit). Similarly, in San Jose, refusing entry by the owner is grounds for eviction if a tenant receives notice to cease and a reasonable time to cure, but still refuses reasonable access. Cal., Mun. Code § 17.23.1250(A)(6) (2017).

82. New Jersey specifies habitual late payment as a ground for eviction; “habitual late payment” is not defined by statute, N.J. Rev. Stat. § 2A:18-61.1(j), but has been interpreted by courts to mean more than one late payment after a tenant has received a notice to cease late payments. See, e.g., *Matthew G. Carter Apartments v. Richardson*, 8 A.3d 788, 795 (N.J. Super. Ct. App. Div. 2010) Similarly, St. Paul, Minnesota allows a tenancy to be terminated for “repeated late payment of rent,” where a tenant makes a late payment, receives a “notice following a late payment that a subsequent late payment may be grounds for Termination of Tenancy,” and then makes late payments of rent five or more times in twelve months. St. Paul, Minn., Code of Ordinances § 193A.05(b)(2)(b) (adopted Apr. 6, 2022), [https://library.municode.com/mn/st.\\_paul/codes/code\\_of\\_ordinances?nodeId=PTITLECO\\_TTTXIXCOPR\\_CH193AREREST\\_S193A.05VA](https://library.municode.com/mn/st._paul/codes/code_of_ordinances?nodeId=PTITLECO_TTTXIXCOPR_CH193AREREST_S193A.05VA).

83. See N.J. Rev. Stat. § 2A:18-61.1(m) (end of employment is grounds for eviction); St. Paul, Minn., Code of Ordinances § 193A.05(b)(2)(j) (end of employment is grounds for non-renewal).

84. Wash. Rev. Code § 59.18.650(2)(j).

85. N.H. Rev. Stat. Ann. § 540:2(II)(e), (V) (effective Jan. 1, 2014).

86. Wash. Rev. Code § 59.18.650(2)(m). A “legitimate business or economic reason” can include the termination of the tenant’s project-based housing voucher or other housing assistance. See, e.g., *FR Bach Hous. IV, LLC v. Goolie*, No. 22-2-02129-32, 2022 Wash. Super. LEXIS 3374, at \*3-5 (Sup. Ct. July 13, 2022).

## Common No-Fault Grounds for Eviction or Non-Renewal

There are also common “no-fault” grounds, which generally are accepted only for nonrenewal, not for eviction during the term of a lease. They include:

- Intent of the owner or the owner’s immediate family to occupy the unit<sup>87</sup>
- Withdrawal of property from the market
- Sale of a property
- Demolition, conversion,<sup>88</sup> or remodeling of the property or unit<sup>89</sup>
- Compliance with a government agency order or local ordinance<sup>90</sup>

The Salazar/Hunter bill includes many of the common grounds for good cause, but policymakers may want to consider whether some additional grounds, such as habitual late payment or demolition or conversion of the property, would help strike a better balance between preserving tenant stability and limiting risks to the housing market.

## Should Rent Increases Be Limited, and If So, How?

Policy makers must decide whether or not to limit rent increases in tandem with good cause eviction protections, and if so, what caps or procedures for setting limits to impose. Rent increase restrictions may be necessary to prevent a landlord from raising the rent sharply in order to end the tenancy without having to prove another element of good cause. Some advocates and housing policy experts also point out that anti-gouging restrictions prevent landlords from taking advantage of disruptions in the market to raise rents significantly.<sup>91</sup> As explained above, however, landlords, and some housing policy analysts, are wary about the effects that regulation of rent increases may have on the condition of the buildings, the willingness of investors to put their money into rental housing construction or operation,

87. Washington state requires both a good faith intent to occupy, and that no substantially equivalent unit is vacant and available in the same building for the owner or their immediate family member. Wash. Rev. Code § 59.18.650(2)(d). Washington, D.C. include a requirement that the owner’s intent to occupy the residence be in good faith. (D.C., Code of the Dist. of Colum. § 42–3505.01(d)–(e). California, New Jersey, and Oregon merely state that the landlord must intend to occupy the property. See Cal. Civ. Code § 1946.2(b)(2)(A) (effective Jan. 1, 2024); N.J. Rev. Stat. § 2A:18–61.1; Or. Rev. Stat. § 90.427(5)(c) (current through 2023). California does provide, however, for leases entered into on or after July 1, 2020, that owners may not evict a tenant based on intent to occupy unless the tenant agrees in writing to the termination, or if a provision of the lease specifically allows the owner to terminate based on intent to occupy the residence. Cal. Civ. Code § 1946.2(b)(2)(A)(ii).

88. Some good cause legislation limits the conversions that are covered. For instance, in Washington, D.C., the conversion must be to a condominium or co-op with government approval. D.C., Code of the Dist. of Colum. § 42–3505.01(j) (current through Jan. 12, 2024).

89. Washington, D.C. allows for substantial rehabilitation as a no-fault ground for eviction. D.C., Code of the Dist. of Colum. § 42–3505.01(h).

90. Washington State allows eviction if the building is condemned as uninhabitable by a government agency. Wash. Rev. Code § 59.18.650(2)(h). New Hampshire permits evictions of tenants when owners seek to abate a lead exposure-hazard. N.H. Rev. Stat. Ann. § 540:2(II)(f) (effective Jan. 1, 2014).

91. See, e.g., Finding Common Ground on Rent Control (2018). Turner Center Policy Brief. [https://turnercenter.berkeley.edu/wp-content/uploads/pdfs/Rent\\_Control\\_Paper\\_053018.pdf](https://turnercenter.berkeley.edu/wp-content/uploads/pdfs/Rent_Control_Paper_053018.pdf)

and the effects on rent levels for any tenants who are not covered by the regulations. Even if limits imposed just on unusually large rent increases might not have those effects, they worry that anti-gouging statutes are just the first step towards full-blown rent regulation.<sup>92</sup>

For jurisdictions that want to limit increases, options include setting a cap on rent increases, linking rent increases to some index, limiting increases to the amount set by some body such as a rent regulation board, or using a standard like unconscionability or reasonableness that courts must determine.<sup>93</sup> In addition, policymakers must determine crucial implementation details such as:

- How often does the limit apply, e.g., once a year, or once a year but for no more than a total of X over Y years?
- Should banking of increases be allowed? E.g., if a landlord did not raise the rent to the limit for one year, can the amount foregone be added in subsequent years? If so, when/how?
- Hardship provisions in cases of economic distress for landlord, which can develop when:
  - The owner's return is below some standard of fair return? Allowed rent increases are insufficient to cover increases in operating costs?
  - Allowed rent increases are insufficient to offset increased costs imposed by government taxation or regulation?
  - Allowed rent increases are insufficient to cover the cost of major capital improvements such as new heating systems or new roofs?
- Is the landlord allowed to mark the rent to fair market levels upon turnover?
- Who should bear the burden of proving the reasonableness of an allowed increase?
- Should the tenant be required to put rent involved in a challenged increase in escrow pending determination of whether it meets the applicable standard?
- How will the enforcement agency track increases—is there a rent registry or other system to keep track of the rents charged for each unit?
- How, and by whom, will the limits on rents be enforced?

92. See Been, V., Ellen, I., & House, S. (2019). Laboratories of Regulation: Understanding the Diversity of Rent Regulation Laws, 46 Fordham Urb. L.J. 1041 (2019). <https://ir.lawnet.fordham.edu/ulj/vol46/iss5/>; House, S., Murphy, M., & O'Regan, K. (2021, April) Rent Regulation for the 21st Century: Pairing Anti-Gouging with Targeted Subsidies. Furman Center Policy Brief. [https://furmancenter.org/files/Rent\\_Regulation\\_for\\_the\\_21st\\_Century\\_-\\_Final.pdf](https://furmancenter.org/files/Rent_Regulation_for_the_21st_Century_-_Final.pdf).

93. See Been, V., Ellen, I., & House, S. (2019). Laboratories of Regulation: Understanding the Diversity of Rent Regulation Laws, 46 Fordham Urb. L.J. 1041 (2019). <https://ir.lawnet.fordham.edu/ulj/vol46/iss5/>, at 1060-70.

States and municipalities range from having no rent increase limitations whatsoever, to imposing specific caps relative to a specified CPI. States that have good cause legislation but do not impose rent caps or other forms of rent regulation include New Hampshire, where the legislature rejected House Bill 95, which sought to enable towns and cities to enact local rent regulations, in February 2023.<sup>94</sup> Washington state also has no anti-gouging provisions as part of its good cause provisions; a bill has been introduced in the 2024 session to impose a limit of five percent per year across the state.<sup>95</sup>

Some states set official rent caps as part of, or as complementary to, their good cause requirements. California limits annual rent increases to 5 percent plus the local CPI, or 10 percent, whichever is lower (but local rent regulation can impose lower caps).<sup>96</sup> Similarly, Oregon caps allowable annual rent increases at the lesser of 10 percent, or 7 percent plus the annual 12-month average change in CPI for all urban consumers, West Region.<sup>97</sup> New Jersey does not impose a state-wide limit on rent increases, but its good cause legislation prevents evictions of tenants who fail to pay rent after a notice of rent increase where the increase is “unconscionable.”<sup>98</sup>

As discussed above, the Salazar/Hunter proposal differs from what other jurisdictions have done in two key ways. First, it does not prevent landlords from raising rents above the amount it deems reasonable; instead, it refuses to recognize non-payment as good cause if any of the rent due and owing is attributable to an increase above the amount deemed “reasonable.” The structure of the reasonableness definition makes it potentially less costly to landlords than a general cap, depending on how the courts and tenants respond if the Salazar/Hunter proposal were passed. It could have the effect of making the definition of reasonableness binding only in the small share of tenancies that end up in Housing Court. Alternatively, tenants could respond to the reasonableness definition by refusing to pay any amount that would be deemed unreasonable, knowing that they can’t be evicted for doing so. As a result, the reasonableness definition would in practice become a broad cap.

94. Dewitt, E. (2023, February 2). New Hampshire House Rejects Bill Enabling Rent Controls. New Hampshire Bulletin. <https://newhampshirebulletin.com/briefs/new-hampshire-house-rejects-bill-enabling-rent-controls/>.

95. See S.B. 5961 (2024). <https://lawfilesexternal.wa.gov/biennium/2023-24/Pdf/Bills/Senate%20Bills/5961.pdf?q=20240205184526>

96. Cal. Civ. Code §1947.12(a)(1) (effective Jan. 1, 2024).

97. Or. Rev. Stat. § 90.324 (current through 2023).

98. N.J. Rev. Stat. § 2A:18-61.1(f); see also *Rent Increase Bulletin*, N.J. Dep’t of Cmty. Affs. (Feb. 2008), [https://www.nj.gov/dca/divisions/codes/publications/pdf\\_lti\\_rnt\\_incrse\\_bultin.pdf](https://www.nj.gov/dca/divisions/codes/publications/pdf_lti_rnt_incrse_bultin.pdf) (providing guidance on how to determine when a rent increase is unconscionable).

Second, the Salazar/Hunter proposed definition of a reasonable increase is lower than any other state that has set an anti-gouging cap. For comparison, for lease renewals that take place in 2024, Oregon’s effective cap is 10 percent.<sup>99</sup> In California, where the cap varies by county, the 2024 allowed increase ranges from 8.8 to 10 percent.<sup>100</sup> In New York, the Salazar/Hunter bill would define as reasonable increases of up to 4.2 percent in 2024. As discussed above, that proposed bill would have defined as “unreasonable” a substantial range of the rent increases generally imposed over the past fifteen years.

### What Notice or other Procedural Requirements Should be Imposed?

Good cause requirements often provide additional tenant protections in three key ways: by requiring landlords to give significant periods of notice before bringing an eviction action or refusing to renew a lease or continue a tenancy; by requiring landlords to give specific notice about problems that the landlord plans to use as grounds for an eviction or refusal to renew or continue a tenancy; and by giving the tenant an opportunity to cure any outstanding rent defaults or lease violations.<sup>101</sup> Washington state provides a good example: its good cause statute requires the landlord to give notice, the length of which varies both by the length of the lease and whether it is for a fixed period or a periodic tenancy,<sup>102</sup> and by the nature of the cause for the eviction or refusal to renew.<sup>103</sup> For a substantial breach of lease, the written notice must specify the acts or omissions constituting the breach, give the tenant the alternative of remedying the breach or ending the lease, and provide a date by which a remedy must occur that is at least ten days after service.<sup>104</sup> Other protections include the availability of damages for tenants who are wrongfully evicted, and details surrounding how landlords must meet their burden to establish a ground for eviction.<sup>105</sup>

Policymakers in New York may want to consider whether such notice provisions and other protections would be worth the costs of delay, especially if longer notice periods could be useful in allowing tenants to develop payment plans.

99. Ramakrishnan, J. (2023, September 27). Oregon maximum rent increase will be 10% in 2024. *The Oregonian*. <https://www.oregonlive.com/business/2023/09/oregon-maximum-rent-increase-will-be-10-in-2024.html>

100. Know Your Rights as a California Tenant. Office of the Attorney General, California Department of Justice. <https://oag.ca.gov/system/files/media/Know-Your-Rights-Tenants-English.pdf>

101. Vasquez, J. & Gallagher, S. (2022, May 18). Promoting Housing Stability Through Just Cause Eviction Legislation. National Low-Income Housing Coalition. <https://nlihc.org/sites/default/files/Promoting-Housing-Stability-Through-Just-Cause-Eviction-Legislation.pdf>.

102. Wash. Rev. Code §59.18.650(1)(b) (effective 2021).

103. Wash. Rev. Code §59.18.650(2) (effective 2021).

104. Wash. Rev. Code §59.18.650(2)(b) (effective 2021).

105. Wash. Rev. Code § 59.18.650(4).

## Section Four: Alternative, Additional, or Complementary Ways To Protect Tenant Stability

Stakeholders in the New York debates over the principle of good cause should consider the relative costs and benefits of various other ways of protecting tenants from the disruptions in the stability of their housing that evictions or refusals to renew a lease cause. While a full comparison of possible alternatives to a good cause requirement is beyond the scope of this brief, this final section provides an introduction to several promising ways of reducing eviction filings and executed evictions, and avoiding unexpected refusals to renew a lease or continue a tenancy.

First, because most eviction filings involve nonpayment, and nonpayment often stems from unexpected fluctuations in household income or expenses, housing subsidies targeted to those circumstances (or to those households especially vulnerable to losing their homes when changes in income or expenses occur) may be the most efficient way of avoiding eviction filings. Such subsidies can take the form of vouchers to cover the difference between what a household can reasonably pay for housing (generally assumed to be 30 to 40 percent of the household's income) and the fair market rent for their housing, as determined by the United States Department of Housing and Urban Development.<sup>106</sup> Households also may be given direct cash assistance or a renter's tax credit instead of vouchers to avoid the difficulties landlords sometimes have with the voucher program. New York City has a variety of rental assistance programs already in place, but policymakers should think about how much more funding would be required to actually lower eviction filing rates, and how the existing programs can be made more efficient, easier and cheaper to use as a tenant and less burdensome to a landlord.<sup>107</sup>

106. House, S., Murphy, M., & O'Regan, K. (2021, April) Rent Regulation for the 21st Century: Pairing Anti-Gouging with Targeted Subsidies. Furman Center Policy Brief. [https://furmancenter.org/files/Rent\\_Regulation\\_for\\_the\\_21st\\_Century\\_-\\_Final.pdf](https://furmancenter.org/files/Rent_Regulation_for_the_21st_Century_-_Final.pdf). for a fuller exploration of combining anti-gouging protections with subsidies for vulnerable tenants.

107. Raetz, H., Dong, J., Murphy, M., & Been, V. (2023). *A State-Level Rent Voucher Program*. NYU Furman Center. [https://furmancenter.org/files/publications/2\\_A\\_State-Level\\_Rent\\_Voucher\\_Program\\_Final.pdf](https://furmancenter.org/files/publications/2_A_State-Level_Rent_Voucher_Program_Final.pdf).



Second, New York City has made tremendous strides in providing tenants facing eviction with legal counsel, but funding and staffing shortages have sometimes increased the time eviction proceedings take (and therefore their costs). Similarly, funding for Housing Court judges and facilities has been below what many experts consider necessary to make the so-called “summary” eviction proceedings sufficiently efficient, fair, and predictable to protect the interests of the tenant facing eviction, their landlord, and their neighbors.<sup>108</sup>

Third, there are a number of promising experiments to both avoid evictions and to work out payment plans for tenants who fall behind as alternatives to eviction. Some tenants may be able to avoid nonpayment evictions, for example, if they are allowed to pay the rent on the schedule by which they receive their income, rather than a rigid date set uniformly for all tenants. Others may be helped by allowing partial payments to be made multiple times throughout the month rather than once. Incentives for timely rent payments that some affordable housing developments have tried also may be worth exploring. Wealth-building strategies like reporting rent payments to credit bureaus may help tenants better weather unexpected income or expense disruptions through cheaper access to credit. Creative use of security deposits and of rent insurance also may provide cost-effective ways of securing tenant stability. When tenants do fall behind, payment plans agreed to soon after a missed payment, sometimes negotiated with facilitators or non-profit housing organizations, and sometimes paired with zero-interest loans, may be much more cost effective than settlements occurring at the end of a protracted judicial proceeding.

Fourth, landlords (and the other tenants they need to protect) may be more willing to forego eviction and renew the lease of a tenant if effective assistance is available to help resolve issues that the landlord or the tenant’s neighbors find troublesome. That may require funding for mediators or facilitators to allow the parties to air grievances and to help them come up with plans acceptable for resolving and avoiding disputes, or may require mental health or other services to help tenants whose habits or behavior may endanger or otherwise harm others in the building. Easy to use systems to get help for a tenant, and sufficient funding to ensure that help is consistent and effective, may be a more lasting and cost effective way of avoiding holdover eviction filings or nonrenewals than good cause requirements.

108. Special Commission on the Future of the New York City Housing Court. (2018). *Report to the Chief Judge*. [https://ww2.nycourts.gov/sites/default/files/document/files/2018-06/housingreport2018\\_0.pdf](https://ww2.nycourts.gov/sites/default/files/document/files/2018-06/housingreport2018_0.pdf); New York City Bar Association. (2024). *Written Testimony in Support of the Judiciary’s 2024-2025 Budget Request*. <https://www.nycbar.org/reports/written-testimony-in-support-of-the-judiciarys-2024-2025-budget-request/>.



Fifth, as discussed above, anti-gouging measures such as those California and Oregon recently put in place, which limit exceptionally high rent increases, can be used independently of any good cause requirement. If a major cause of instability is unexpected and sharp increases in rents driven either by significant changes in the market, or by a landlord's attempts to force a tenant out, an anti-gouging provision (in combination with the anti-retaliation and anti-discrimination protections already in place), and perhaps with longer periods of notice for some leases about a refusal to renew or a rent increase,<sup>109</sup> could accomplish the goal without requiring as much litigation.

Finally, because so much of the debate over a good cause requirement centers on competing assumptions about how rents are changing and how much rent increases drive nonpayment eviction filings, improving data about rent increases is crucial. Various jurisdictions are experimenting with rental registries to help provide the data needed to develop effective housing policies.<sup>110</sup> New York should consider a similar registry for all rental housing in the state.

All these alternative or additional ways of securing tenant stability need to be examined more thoroughly to see if they can protect tenants facing evictions or refusals to renew their lease while imposing fewer costs and risks on building owners, other tenants in the building, and the housing market.

109. HSTPA requires that landlords provide written notice for rent increases of at least five percent or if they do not plan to renew a lease, with the notice period varying by the tenant's time in the apartment: 30 days for less than one year, 60 days for one to two years, and 90 days for more than two years. <https://rentguidelinesboard.cityofnewyork.us/resources/faqs/leases-renewal-vacancy/>.

110. Local Housing Solutions, Rental Registries, <https://local housingsolutions.org/housing-policy-library/rental-registries/>.



# Conclusion

The harms that losing one's home, and of worrying constantly about how and where to find another place to live, how to pay for the move, and how to minimize the setbacks the move may cause to children and others especially vulnerable to disruption, are overwhelming and long-lasting. New York's policymakers are to be commended for trying to find ways to avoid or minimize those harms and protect renters and their families from housing instability. But protecting against evictions and refusals to renew leases imposes risks: of increasing the cost of housing for all renters; of subjecting applicants for rentals to more searching inquiries about whether they will be reliable, long-term payers who are good stewards of the home and good neighbors to others in the building; of discouraging investment in rental housing; and of making the system for resolving disputes between landlords and tenants too time-consuming and costly. Striking the balance between protecting housing stability and minimizing the risks those protections will likely entail will be challenging. While debate among Albany's elected officials about an approach may be progressing, it remains imperative that policymakers who have endorsed the "principle" of good cause think much more carefully about how to craft an actual protection that helps vulnerable tenants without unduly undermining the interests of other tenants, owners, and all those New Yorkers who need a more reliable supply of affordable, high quality housing.

# Primer: The Current System for Resolving Landlord/Tenant Disputes In New York

## What is the Current Eviction Process?

Nonpayment and holdover eviction actions are governed by many of the same basic procedural requirements, but there are important differences between the two. The following subsections explain the procedures and timeline each follows.

### Nonpayment Cases

In a “nonpayment” case, the landlord seeks two separate legal judgments: one for the amount of unpaid rent and the other requiring the tenant to vacate the property.<sup>111</sup> Before filing a nonpayment case, a landlord must first serve the tenant with a written demand for the unpaid rent.<sup>112</sup> If at least fourteen calendar days have passed since that demand was served,<sup>113</sup> and the tenant still has not paid the rent demanded, the landlord can file a petition with the housing court, and serve the tenant with a notice of petition and petition. Even after the case is filed, until an eviction warrant is executed, the tenant can avoid eviction by paying the amount of rent demanded to the landlord or determined to be due by the court.<sup>114</sup>

In New York City, a nonpayment petition must be answered within 10 days of service.<sup>115</sup> The answer must raise any defenses the tenant asserts, and specify any counter-claims the tenant wants to bring.<sup>116</sup> If the tenant fails to answer (or if the tenant or the landlord subsequently fails to appear at any stage of the case), the court may enter a default judgment in favor of the other party.<sup>117</sup> If the tenant does answer, they will then be given a date for a first appearance in Housing Court within 3-8 days.<sup>118</sup>

111. Residential Landlord Tenant L. in N.Y. § 9:1.

112. N.Y. Real Prop. Acts. Law § 735

113. N.Y. Real Prop. Acts. Law § 711.2 (increased by HSTPA from 3 days)

114. Two distinct RPAPL provisions govern here. §751 allows the tenant to stay their case prior to the issuance of an eviction warrant by depositing all rent due with the court's clerk. §749(3), as amended by the HSTPA, allows the court to vacate a warrant of eviction prior to its execution if the tenant pays all rent, unless the court determines the tenant withheld the rent in bad faith. §749(3) even provides for restoration of possession after execution of an eviction warrant.

115. 22 NYCRR 208.42(c) (adopting RPAPL § 732's nonpayment timing provisions).

116. N.Y. Real Prop. Acts. Law § 743 (McKinney 2019).

117. Residential Landlord Tenant L. in N.Y. § 15:10.

118. N.Y. Real Prop. Acts. Law § 732 (McKinney 2019).

At this appearance, the landlord and tenant (or their attorneys—in New York City, low-income tenants should have an attorney appointed to represent them) will typically try to negotiate a solution. If the parties in a nonpayment case are not able to negotiate a settlement agreement at this stage, or the court does not resolve the case on pretrial motions,<sup>119</sup> the case must proceed to trial, but most cases settle without trial. The landlord bears the burden of proving the elements of the claim by a “preponderance of the evidence.”<sup>120</sup> If after trial, the judge decides in favor of the landlord, the judge will enter a judgment in favor of the landlord for the amount of unpaid rent the court finds to be due, and judgment for possession if the landlord sought to end the lease because of the nonpayment.

### **Holdover Cases in Unregulated Rented Homes**

A landlord is generally free to decline to renew a tenant’s lease in housing that is unregulated after serving the required 30-, 60-, or 90-day notice (depending upon the length of the tenant’s occupancy or lease).<sup>121</sup> If the tenant refuses to leave, the landlord will then have to bring a holdover eviction proceeding, and will be required to prove only that the lease expired—the landlord need not give a reason for refusing to renew the lease.<sup>122</sup> Those cases are referred to as “no cause” holdovers.

As in a nonpayment case, the landlord must serve a notice to the tenant (or person occupying the property like a tenant) before filing a holdover eviction case. The notice’s name and form varies with the grounds underlying the holdover case, but generally, the notice must be served at least 10 days before a case is filed.<sup>123</sup> Once the notice period has been satisfied, the landlord can file the holdover case with a petition and notice of petition.<sup>124</sup> The tenant must answer on the return date, which in New York City must be set between 10 and 17 days after the petition is served.<sup>125</sup> If a tenant answers, but does not resolve the case directly with the landlord, the case will proceed to a trial, as in a nonpayment case. Within New York City, the

119. The New York Civil Practice Law and Rules govern motion practice in housing court. Examples of pretrial motions include motions to dismiss, motions for summary judgment, and motions for joinder and removal. See Residential Landlord Tenant L. in N.Y. § 13:1.

120. Residential Landlord Tenant L. in N.Y. § 1:32.

121. Id. at § 8:43.

122. Id.

123. N.Y. Real Prop. Acts. Law § 713.

124. Id. at § 731.

125. Id. at § 733(1).

trial must take place within 5 to 15 days,<sup>126</sup> although as discussed below, it rarely does because of adjournments and motion practice. However, if the tenant does not answer, unlike the process in a nonpayment case, the court must go through a separate “inquest” and interrogate the basis of the case before issuing a default judgment for the landlord.<sup>127</sup>

### Warrants of Eviction

Once a judgment of possession for the landlord has been rendered in either a nonpayment or holdover proceeding, the court will issue a warrant of eviction authorizing an officer (a county sheriff or any constable or marshal of the city) to move forward with the eviction process.<sup>128</sup> The warrant will show the earliest date the warrant can be executed, describe the property in question, and instruct the officer to remove the occupants of the property named in the eviction proceeding and restore possession of the property to the landlord.<sup>129</sup>

After issuing a warrant of eviction, the officer will serve the occupants of the property with a notice of eviction. The notice must give the occupant at least 14 days from the date of service to voluntarily leave the premises.<sup>130</sup> When the notice period expires, the officer will execute the warrant and physically evict the occupant. Execution of the warrant must take place on a business day during daylight hours.<sup>131</sup> From the date a judgment is rendered, at least two weeks’ notice, plus at least a few days’ processing time, will have elapsed before the landlord is given possession.

As Figure Four shows, a relatively small fraction of eviction filings result in a warrant of eviction, in part because most cases result in a settlement in which the landlord and tenant agree about how to resolve the dispute. An even smaller fraction result in an executed warrant.

126. N.Y. Ct. R. § 208.43(g) (McKinney).

127. Id. at § 208.43(f).

128. N.Y. Real Prop. Acts. Law § 749(1) (McKinney 2019).

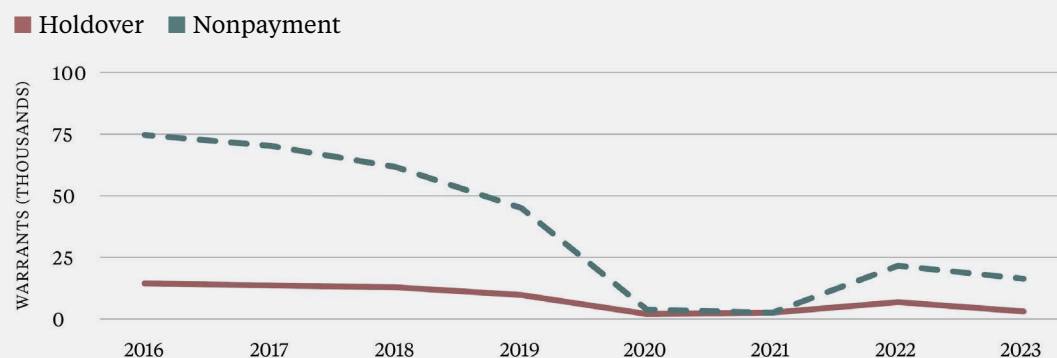
129. Id.

130. Id. § 749(2)(a).

131. Id.

**Figure Four: Total Eviction Filings Resulting in a Warrant**

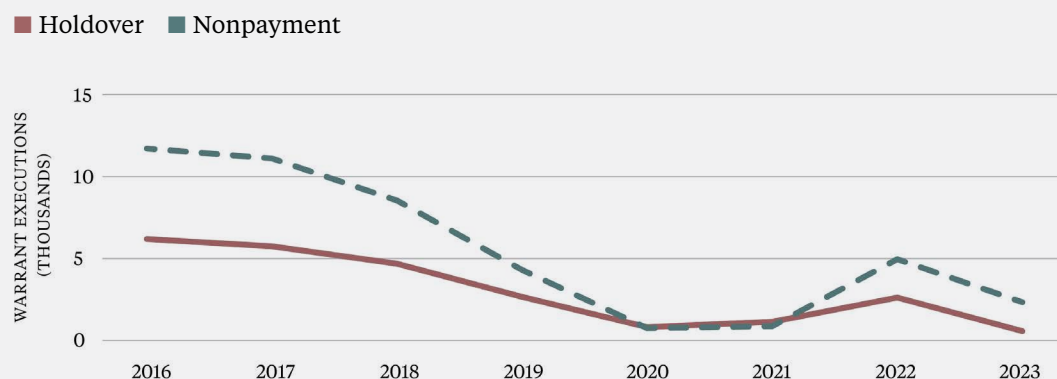
Cases Filed in New York City from 2016-2023 in Units Other Than NYCHA



Sources: NYS Office of Court Administration, NYU Furman Center

**Figure Five: Total Eviction Filings Resulting in an Executed Warrant**

Cases Filed in New York City from 2016-2023 in Units Other Than NYCHA



Sources: NYS Office of Court Administration, NYU Furman Center

## How Long Do Eviction Processes Take?

Broad statements about how long the process takes are difficult, as each case may pose particular complexities, and parties can settle at any time. However, at minimum, in New York City, a nonpayment case will take no less than roughly a month from service of the rent demand to judgment: 14 days for the notice of rent demand, 10 days for the answer, and a court appearance in 3 to 7 days, as explained above. A holdover case also will take no less than about one month: 10 days for the notice, 10-17 days for the answer, and at least 5 to 15 days for the case to be scheduled for trial if the tenant answered, or for review by the judge if the tenant defaulted.

In reality, the process can often take much longer, especially if all parties are represented by counsel. The judge can postpone court dates for scheduling or other reasons. Any party to a case has a right to ask the court for a 14 day adjournment.<sup>132</sup> Further, parties in eviction cases frequently bring motions called “orders to show cause,” asking the court for interim relief, such as more time for the parties to comply with a settlement, which effectively pauses the eviction process pending a hearing on that motion.<sup>133</sup> Orders to show cause also are used to stay warrants of eviction.<sup>134</sup> Any Housing Court proceeding accordingly is subject to a great deal of variation in the time each stage of a case may take. Judges in Housing Court have broad discretion to control their calendars and issue adjournments for any length of time and for any purpose.<sup>135</sup> In practice, many common events, such as a lawyer’s failure to appear or a judge’s personal absence can lead to delays of weeks or months.<sup>136</sup>

Figure Six shows the time nonpayment and holdover cases took that were filed in 2017 and 2018 in New York City (not including NYCHA’s public housing).<sup>137</sup> Those years are most informative, because they are the most recent years for which most cases are likely to have been resolved before the pandemic. They likely underestimate the time cases take, however, because in 2017 and 2018, only thirty percent or less of the tenants appearing in housing court in eviction proceedings were represented by counsel,<sup>138</sup> and cases may take longer on average when the tenants are represented.<sup>139</sup>

132. N.Y. Real Prop. Acts. Law § 745(1). In reality, adjournments are frequently granted for longer than 14 days. For a perspective from the landlords’ bar, see Nahins, T. Housing Court Post-Pandemic: Plagued by Delays. *New York Apartment Law Insider*. <https://www.apartmentlawinsider.com/blogs/todd-nahins/housing-court-post-pandemic-plagued-delays> (“The first court date is uneventful unless your adversary wishes to settle. No matter the reason for the request for the adjournment...the Court with few exceptions will grant at least a six-week adjournment.”)

133. N.Y. Real Prop. Acts. Law § 749; Residential Landlord Tenant L. in N.Y. § 17:1.

134. N.Y. Real Prop. Acts. Law § 749(3) (McKinney 2019).

135. Residential Landlord Tenant L. in N.Y. § 14:8.

136. Nahins, T. Dealing with Delays in Housing Court. *New York Apartment Law Insider*.

<https://www.apartmentlawinsider.com/blogs/todd-nahins/dealing-delays-housing-court> (highlighting the delays in an eviction case caused by a judge’s or landlord’s absence).

137. The Rent Stabilization Association, a trade group representing the owners of rent stabilized apartments did its own analysis of eviction data, and concluded that the “average duration of cases resulting in eviction” between January and June, 2022 was “nearly 2 years (20.4 months).” The RSA analysis does not distinguish between represented and unrepresented cases, and the period chosen was one in which delays caused by the moratorium were particularly acute. [https://rsanyc.net/wp-content/uploads/2023/11/November-2023\\_web-1-2.pdf](https://rsanyc.net/wp-content/uploads/2023/11/November-2023_web-1-2.pdf)

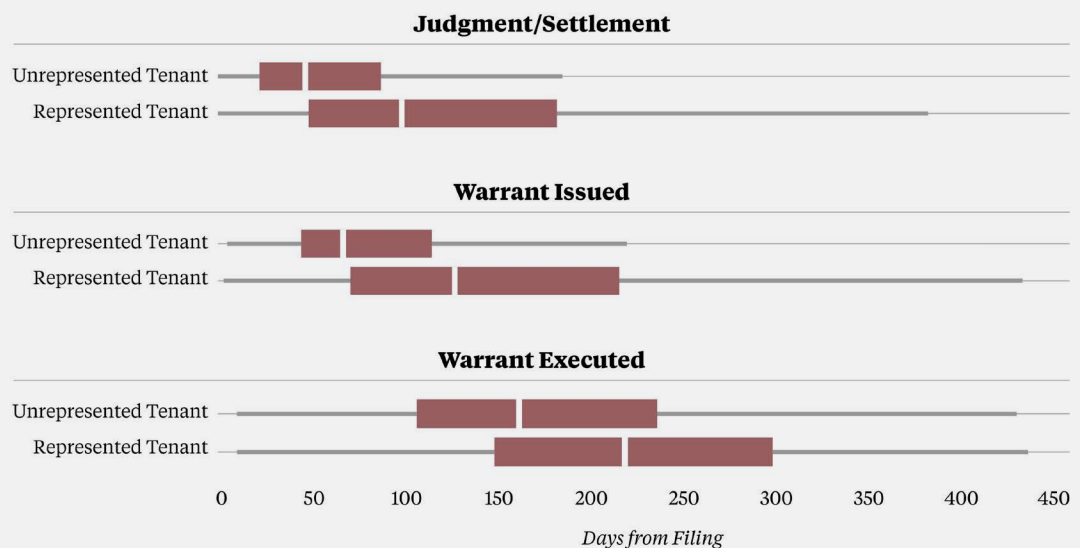
138. Universal Access to Legal Services: A Report on Year Four of Implementation in New York City. (2021). *Office of Civil Justice, New York City Human Resources Administration*. [https://www.nyc.gov/assets/hra/downloads/pdf/services/civiljustice/OCJ-UA\\_Annual\\_Report\\_2021.pdf](https://www.nyc.gov/assets/hra/downloads/pdf/services/civiljustice/OCJ-UA_Annual_Report_2021.pdf)

139. A key mechanism driving this change is that with representation, tenants are more likely to appear in the first place, less likely to settle with landlords quickly, and more likely to see their cases through in court. See Cassidy, M., & Currie, J. (2023). The effects of legal representation on tenant outcomes in housing court: Evidence from New York City’s universal access program. *Journal of Public Economics*, 222, 104844. (“In terms of possible mechanisms for the effects of tenant representation, Table 1 suggests that the UA zip codes see fewer cases with a judgment due to a settlement, and fewer cases that are forfeited by a tenant failure to appear.”).



Each panel in Figure Six represents the number of days from filing to a different case milestone. The distribution of case lengths is represented by a boxplot where the box outlines the 25th to 75th percentile of case length, the horizontal line in the box represents the median, and the vertical lines above and below the box represent the remaining, non-outlier distribution. The boxes on the left show the distribution of cases where at least one tenant had legal representation, and the boxes on the right show the distribution of cases where all tenants were unrepresented. Each panel includes all cases that reached the given milestone (even if a case continued on to other milestones), and the time is always measured from the filing date (even though later milestones require a case to first reach the earlier milestones).

**Figure Six: Days From Eviction Filing to Judgment or Settlement; Issuance of a Warrant; And Execution of a Warrant**  
Cases Filed in New York City in 2017 and 2018 in Units Other Than NYCHA



Sources: NYS Office of Court Administration, NYU Furman Center

These medians are the best evidence we have of how long it takes for cases to reach particular resolutions, but it is unclear whether they over- or under-state the time the parties actually have to wait for proceedings to conclude. First, the majority of eviction cases brought in Housing Court are resolved by stipulations, which are essentially settlements between the landlord and tenant. Parties can enter into a stipulation at any point in the proceedings, although in practice, stipulations usually are agreed

to when both parties are physically in court.<sup>140</sup> The frequency of settlements means that the time actually required to adjudicate a case that does not settle is probably longer than the median of the settled and the adjudicated cases combined.

Second, eviction cases play out against a backdrop of a court system that is under-resourced.<sup>141</sup> This lack of resources affects the time it takes to resolve cases, and is particularly acute right now because various moratoria were imposed upon evictions during the pandemic. Since the moratoria were removed, the courts have faced a well-documented backlog of eviction cases.<sup>142</sup> Delays caused by resource constraints in Housing Court, and for legal assistance for tenants, are hard to disentangle from the delays caused by the pandemic moratoria, however, so it is difficult to evaluate how those constraints will affect the time eviction proceedings take to resolve once the pandemic backlogs are resolved.

Third, the Emergency Rental Assistance Program,<sup>143</sup> in addition to the longer standing “One-Shot” program,<sup>144</sup> may contribute to delays. Cases generally do not move forward while an application for one of these programs is pending. In addition, the requirement of the one-shot program that the applicant have some earned income<sup>145</sup> may lead to strategic litigation behavior, as tenants or their lawyers may try to stall resolution of a case until the tenant can document earned income and receive a “one-shot” payment to help resolve rent arrears. Again, it is hard to assess how prevalent those delays are, how much time they actually add to the process, and whether they will persist once rental arrears from the pandemic era are resolved.

140. Residential Landlord Tenant L. in N.Y. § 1:25 (“It should be noted that the vast majority of cases are resolved by settlement, or stipulation, between the parties. A settlement can be entered into at any point of the proceeding, but is most likely to be arranged when the parties are in court.”)

141. Testimony in Support of the NYS Judiciary’s 2023-24 Budget Request, New York City Bar (Feb. 9, 2023), [https://www.nycbar.org/wp-content/uploads/2023/05/20221136\\_Judiciary2023-24BudgetRequest.pdf](https://www.nycbar.org/wp-content/uploads/2023/05/20221136_Judiciary2023-24BudgetRequest.pdf). (“As discussed above, the Housing Court faced a doubling of filings to 109,861 in 2022.<sup>21</sup> Yet the Budget proposes a \$32.3 million funding level, representing a sub-inflation \$900,000 (2.8%) increase over the current year adjusted appropriation. That proposed funding is less, even in nominal terms, than the \$34.5 million Housing Court funding request in the last pre-pandemic budget proposed in late 2019. The Housing Court’s current struggles are unlikely to be ameliorated without substantial additional resources. Court staff, attorneys and legal services providers are simply unable to keep up.”)

142. See, e.g., Jones, D. R. (2022, March 17). Courts Become the New Battlefield for Housing Crisis. *Community Service Society*. <https://www.cssny.org/news/entry/courts-become-new-battlefield-for-housing-crisis>; Festa, F. & Iezzi, A. (2023, January 3). NYC’s Floundering Right to Counsel Fails to Keep Pace With Eviction Cases. *City Limits*. <https://citylimits.org/2023/01/03/nycs-floundering-right-to-counsel-fails-to-keep-pace-with-eviction-cases/>

143. ERAP provided economic relief to low and moderate-income households at risk of housing instability. Eligible households could receive up to 12 months of back rent and 3 months of future rent. Applications closed in January 2023. NYS Emergency Rental Assistance Program. *NYC Housing Preservation & Development*. <https://www.nyc.gov/site/hpd/services-and-information/erap.page>

144. A “one-shot deal” is a one-time payment from the NYC Human Resources Administration to pay back rent to avoid eviction. One Shot Deals. *Housing Court Answers*. <https://housingcourtanswers.org/answers/for-tenants/housing-court-tenants/rent-arrears-tenants/one-shot-deals/>

145. One Shot Deals. *Housing Court Answers*. <https://housingcourtanswers.org/answers/for-tenants/housing-court-tenants/rent-arrears-tenants/one-shot-deals/>

# Appendix

## Estimated Count of Occupied Rented Homes, by Building Size, that Might Be Covered by a Good Cause Requirement

<i>Building Size</i>	<i>Total Renter Households in all Unregulated Units</i>	<i>Renter Households in Unregulated Units in Condos/Co-ops (Included in Total Renter Households)</i>	<i>Renter Households in Unregulated Units Covered by Owner-Occupied Exemption</i>
1 Unit	71,988	–	0
2 Units	239,600	2,234	-158,597
3 Units	167,710	3,055	-101,773
4-5 Units	93,427	4,405	0
6-9 Units	63,679	5,546	0
10+ Units	332,468	123,461	0
Total	968,872	138,701	-260,370

Source: New York City Housing and Vacancy Survey (2021), NYU Furman Center

As discussed in the main text, several data sources offer different advantages and disadvantages for assessing year-over-year rent change in New York City’s unregulated housing stock. All are limited by the fact that we cannot distinguish renewals from rented homes that became occupied by new tenants, or were listed for the first time (in the case of new construction). All are limited by the inability to show the longitudinal trajectory of the same apartment over time, which would allow for better comparisons.

Despite these known limitations, we present four additional charts that can help provide some insight into both year-over-year comparisons and comparisons over longer periods of time.

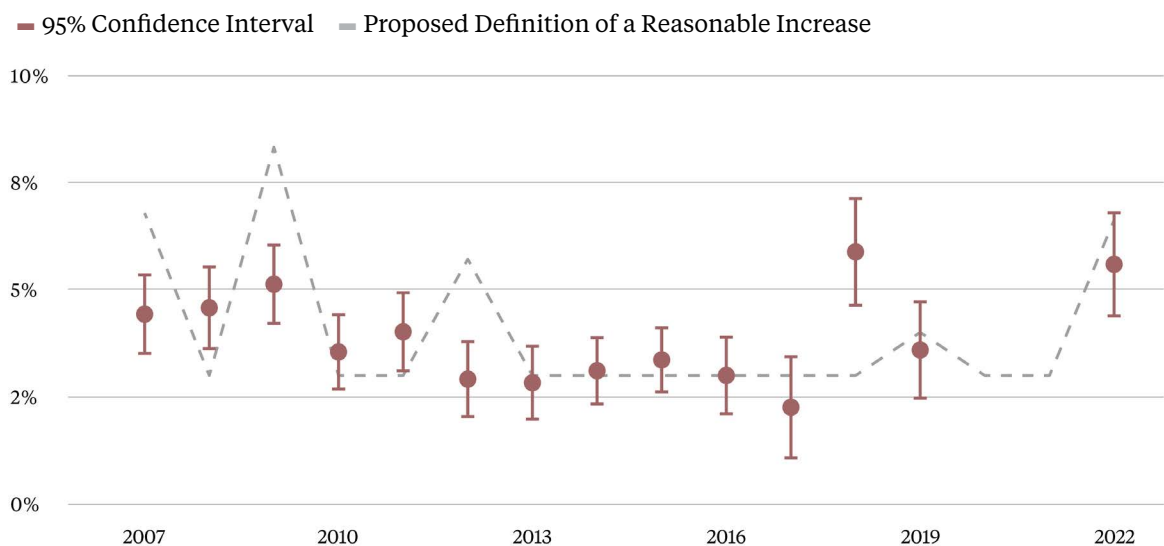
## Year-over-Year Change in Percentage Terms

### 1. Median Contract Rent, One-Year ACS Data (2006-2022, not including 2020)

As shown in the main text, the annual percent change in the median contract rent across the city averaged to 3.87 percent (with an average margin of error of +/- .95%) between 2007 and 2022. This chart shows the margins of error (the vertical lines) for each year’s survey, highlighting that a limitation of the survey data is its inability to provide more

precise estimates with confidence. Notably, the sample during 2020 is deemed unreliable, so we cannot show rent trends during the pandemic period. The table below shows the values represented in the chart, along with the margins of error at the 95th percent confidence interval.

**Percent Change in Median Contract Rent Relative to the Salazar/Hunter Bill's Definition of a Reasonable Increase**  
New York City, 2006-2022, 1-Year ACS



Sources: American Community Survey, NYU Furman Center

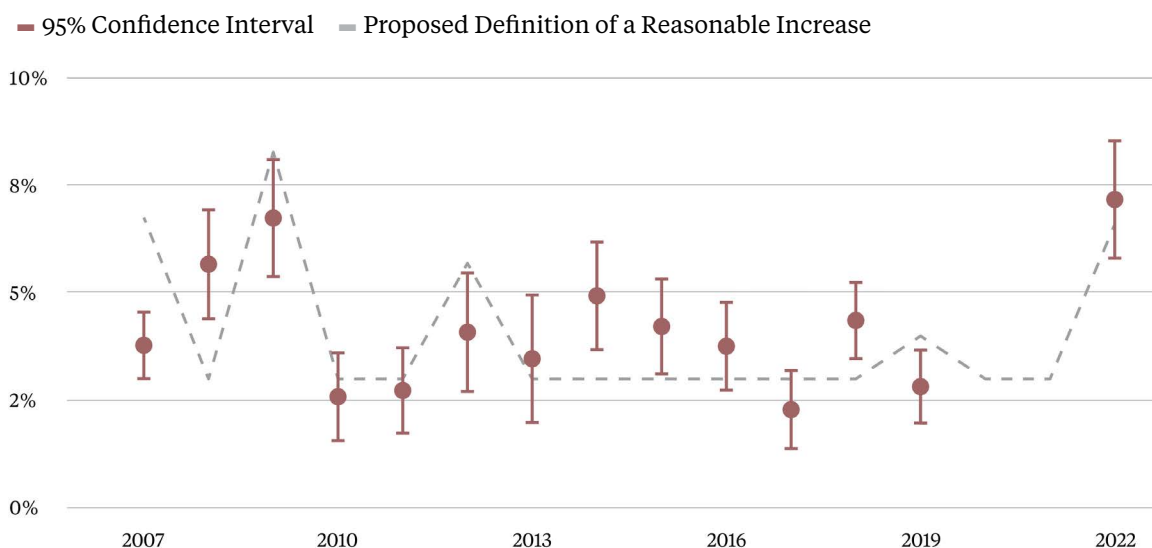
Year	Previous Rent	Current Rent	Percent Change
2007	\$860 (+/- \$5)	\$898 (+/- \$6)	4.4% (+/- 0.9%)
2008	\$898 (+/- \$6)	\$939 (+/- \$6)	4.6% (+/- 0.9%)
2009	\$939 (+/- \$6)	\$987 (+/- \$6)	5.1% (+/- 0.9%)
2010	\$987 (+/- \$6)	\$1,022 (+/- \$6)	3.5% (+/- 0.9%)
2011	\$1,022 (+/- \$6)	\$1,063 (+/- \$7)	4.0% (+/- 0.9%)
2012	\$1,063 (+/- \$7)	\$1,094 (+/- \$6)	2.9% (+/- 0.9%)
2013	\$1,094 (+/- \$6)	\$1,125 (+/- \$7)	2.8% (+/- 0.8%)
2014	\$1,125 (+/- \$7)	\$1,160 (+/- \$5)	3.1% (+/- 0.8%)
2015	\$1,160 (+/- \$5)	\$1,199 (+/- \$7)	3.4% (+/- 0.7%)
2016	\$1,199 (+/- \$7)	\$1,235 (+/- \$8)	3.0% (+/- 0.9%)
2017	\$1,235 (+/- \$8)	\$1,263 (+/- \$12)	2.3% (+/- 1.2%)
2018	\$1,263 (+/- \$12)	\$1,337 (+/- \$10)	5.9% (+/- 1.2%)
2019	\$1,337 (+/- \$10)	\$1,385 (+/- \$11)	3.6% (+/- 1.1%)
2020	\$1,385 (+/- \$11)		
2021		\$1,490 (+/- \$14)	
2022	\$1,490 (+/- \$14)	\$1,573 (+/- \$11)	5.6% (+/- 1.2%)

## 2. 75th Percentile of Contract Rent, One-Year ACS Data (2006-2022, not including 2020)

A critique of the annual change in the ACS median rent is that it over-represents the regulated rental stock, potentially leading to an understatement of rent increases in the unregulated stock. To address this, the following chart shows year-over-year changes at the 75th percentile of units occupied by renters, using the same ACS data. The average annual change for rents at the 75th percentile was 4.19% (margin of error:  $\pm 1.13\%$ ), slightly higher than the median's 3.87% (margin of error:  $\pm 0.95\%$ ). Despite these small differences, the trajectories of both the median and 75th percentile were closely aligned, and within the same margin of error. However, a significant limitation of both analyses is the exclusion of 2020 data, which prevents the inclusion of 2019-2020 and 2020-2021 changes.

### Percent Change in 75th Percentile Rent Relative to the Salazar/Hunter Bill's Definition of a Reasonable Increase

New York City, 2006-2022, 1-Year ACS



Sources: American Community Survey, NYU Furman Center

Year	Previous Rent	Current Rent	Percent Change
2007	\$1,190 (+/- \$6)	\$1,235 (+/- \$7)	3.8% (+/- 0.8%)
2008	\$1,235 (+/- \$7)	\$1,305 (+/- \$14)	5.7% (+/- 1.3%)
2009	\$1,305 (+/- \$14)	\$1,393 (+/- \$11)	6.7% (+/- 1.4%)
2010	\$1,393 (+/- \$11)	\$1,429 (+/- \$9)	2.6% (+/- 1.0%)
2011	\$1,429 (+/- \$9)	\$1,468 (+/- \$11)	2.7% (+/- 1.0%)
2012	\$1,468 (+/- \$11)	\$1,528 (+/- \$17)	4.1% (+/- 1.4%)

<i>Year</i>	<i>Previous Rent</i>	<i>Current Rent</i>	<i>Percent Change</i>
2013	\$1,528 (+/- \$17)	\$1,581 (+/- \$15)	3.5% (+/- 1.5%)
2014	\$1,581 (+/- \$15)	\$1,659 (+/- \$13)	4.9% (+/- 1.3%)
2015	\$1,659 (+/- \$13)	\$1,729 (+/- \$13)	4.2% (+/- 1.1%)
2016	\$1,729 (+/- \$13)	\$1,794 (+/- \$12)	3.8% (+/- 1.0%)
2017	\$1,794 (+/- \$12)	\$1,835 (+/- \$11)	2.3% (+/- 0.9%)
2018	\$1,835 (+/- \$11)	\$1,915 (+/- \$12)	4.4% (+/- 0.9%)
2019	\$1,915 (+/- \$12)	\$1,969 (+/- \$11)	2.8% (+/- 0.8%)
2020	\$1,969 (+/- \$11)		
2021		\$2,049 (+/- \$23)	
2022	\$2,049 (+/- \$23)	\$2,196 (+/- \$16)	7.2% (+/- 1.4%)

### 3. Miller Samuel Data (2009-2023)

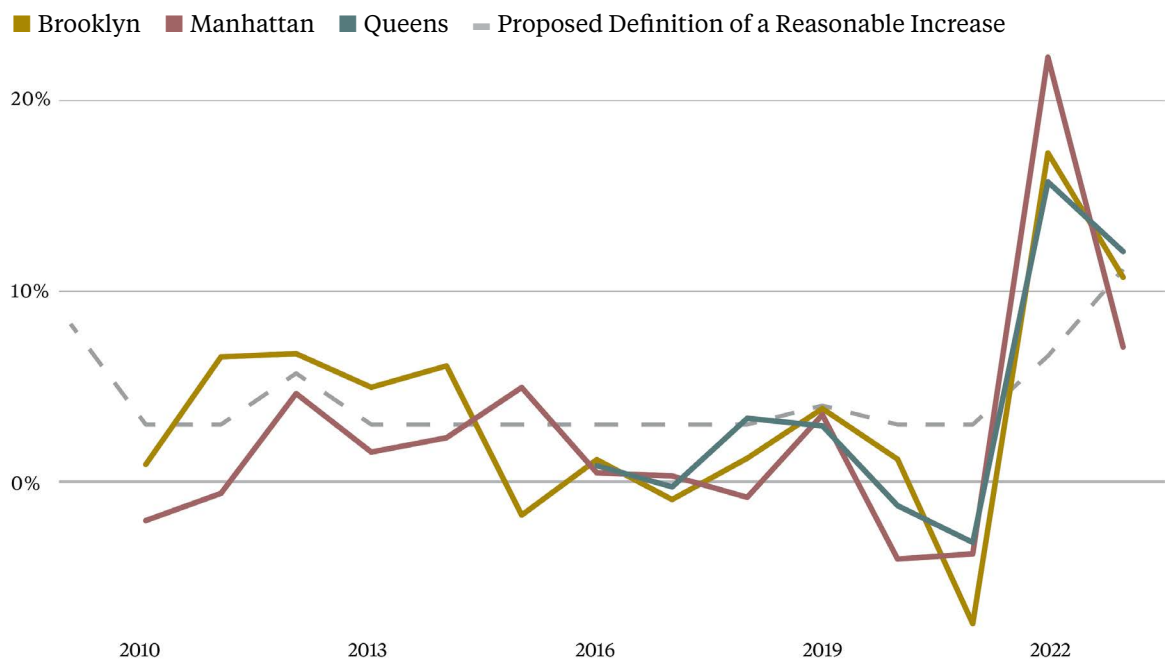
Miller Samuel data provide insights into the higher-cost segment of New York City’s rental housing market, primarily focusing on actual rents of listings reported by brokers. For a sense of the population and geographic representation of underlying data, the Miller Samuel rent measure derives from about 76,000 leases in 2023 alone, 52,500 of which were in Manhattan, 19,200 in Brooklyn, and 4,500 in Queens (limited to Long Island City, Astoria, Sunnyside, and Woodside). An advantage of this dataset is its timeliness. It offers a look into the pandemic period, with monthly updates to median rent from 2009 through 2023 for Brooklyn and Manhattan, and from 2014 through 2023 for portions of Queens. However, it has limitations in scope, notably omitting information on regions like the Bronx or Staten Island and not covering the lower-cost, unregulated market. The data predominantly reflect rents in high-rise and expensive buildings, which do not align with the broader range of properties impacted by potential legislative measures like the Good Cause requirement. Furthermore, this dataset does not include renewal lease information, limiting our ability to use it to determine typical rent increases for existing tenants. Despite these constraints, Miller Samuel data informs understanding long-term cost trends within a particular segment of the unregulated market. It provides unique insights into the market dynamics during the 2020 and 2021 period, including the impact of the pandemic and subsequent recovery in 2022.

The data highlight that annual percentage changes in median rent similarly hovered around the definition of a “reasonable” increase contained in the proposed good cause legislation during the pre-pandemic, relatively low inflation period. But data also reveal an actual

decline in the median rent in this particular segment during 2020 and 2021 (compared to 2019 and 2020), a directional change not captured by Census Data. This was then followed by a significant reversal between 2021 and 2022, substantially surpassing what would have been considered “reasonable” if the Salazar/Hunter Good Cause proposal had been in effect. Spreading these changes out across 2020, 2021, 2022, and 2023 shows that the annual average of the percent change of median rent as compared to the prior year was 5.69 percent. Finally, the data show some geographic variation in rent patterns, but data are available only between Manhattan, Brooklyn, and Queens.

### Percent Change in Median Rent Relative to the Salazar/Hunter Bill’s Definition of a Reasonable Increase

New York City, 2009-2023, Miller Samuel Data



Sources: Miller Samuel, NYU Furman Center

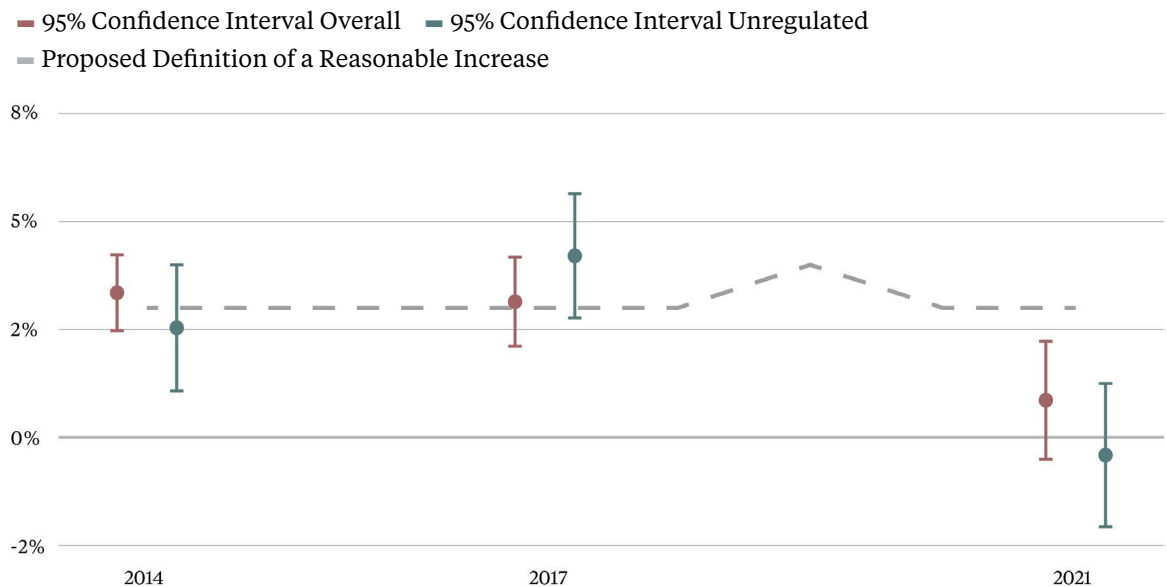


## Longer Period Comparisons

1. The New York City Housing and Vacancy Survey (HVS), normally released triennially, provides a comprehensive overview of trends in the city's housing market, including within just the unregulated housing stock. While the HVS offers a more inclusive representation of unregulated housing compared to Miller Samuel data, it is constrained because it is released less frequently. Usually conducted every three years, the most recent survey "approximates rental market activity over the 30-month period from January 2019 through June 2021."<sup>146</sup> Like any survey based on sampling, including the ACS, the HVS faces limitations due to sample size, potentially resulting in larger margins of error. This chart presents the percent change in median rents for unregulated rented homes in New York City, comparing data across several HVS periods. Overall, the HVS data indicate that the median rent, put into annualized terms, appeared to be in the 2.5 to 4.2 percent range in the period prior to the pandemic, and -.04% for the period covering the pandemic.

### Average Annual Percent Change in Median Gross Rent Relative to the Salazar/Hunter Bill's Definition of a Reasonable Increase

New York City, 2011-2021, HVS



Sources: New York City Housing and Vacancy Survey, NYU Furman Center

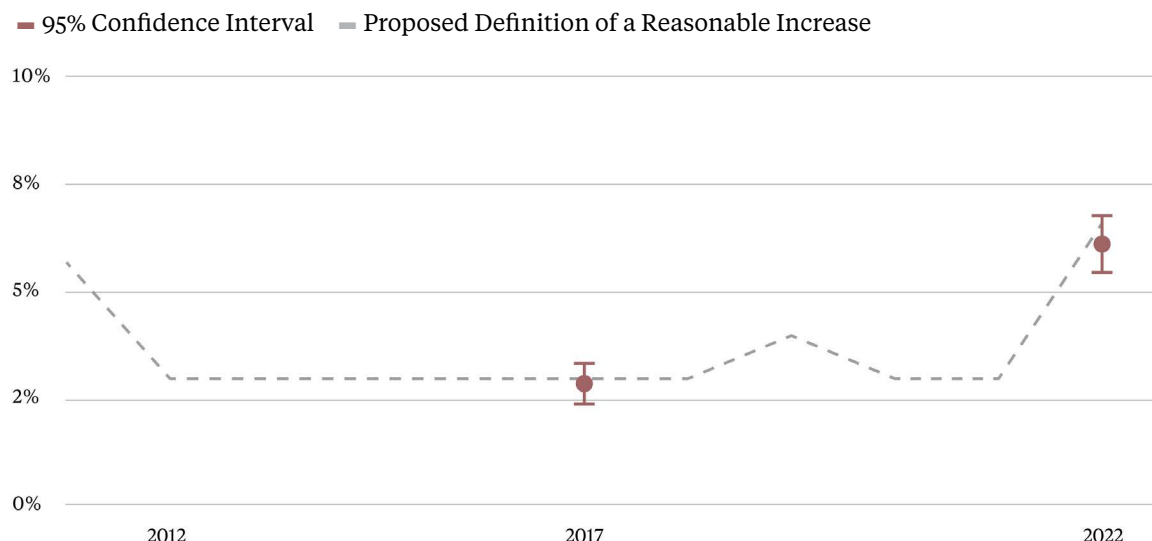
146. 2021 Housing and Vacancy Survey Selected Initial Findings (2022, May 16). New York City Department of Housing and Preservation. <https://www.nyc.gov/assets/hpd/downloads/pdfs/services/2021-nychvs-selected-initial-findings.pdf>

<i>Period</i>	<i>Start Rent</i>	<i>End Rent</i>	<i>Total Percent Change</i>	<i>Average Annual Percent Change</i>
<b>Overall</b>				
2011-2014	\$1,204 (+/- \$5)	\$1,325 (+/- \$9)	10.0% (+/- 0.9%)	3.3%
2014-2017	\$1,325 (+/- \$9)	\$1,450 (+/- \$10)	9.4% (+/- 1.0%)	3.1%
2017-2021	\$1,450 (+/- \$10)	\$1,500 (+/- \$17)	3.4% (+/- 1.4%)	0.9%
<b>Unregulated</b>				
2011-2014	\$1,510 (+/- \$15)	\$1,625 (+/- \$16)	7.6% (+/- 1.5%)	2.5%
2014-2017	\$1,625 (+/- \$16)	\$1,830 (+/- \$17)	12.6% (+/- 1.4%)	4.2%
2017-2021	\$1,830 (+/- \$17)	\$1,800 (+/- \$25)	-1.6% (+/- 1.7%)	-0.4%

2. Finally, we show American Community Survey 5 year data to approximate annual changes in median rent (2012 5-Year, 2017 5-Year, and 2022 5-Year). The 5-Year data has a larger sample size as compared to the 1-Year ACS, thereby allowing for a larger number of observations on which to base the analysis. At the same time, the 5-Year survey covers observations across a 5-year period (similar to how the HVS covers a multi-year period). For that reason, making annual comparisons is trickier. Because of this, these data suffer from the same inability to annualize the percent change precisely; to overcome this, we simply estimate the annual average over the 5 year period. Here, we find that between 2012 and 2017, the average annual change was 2.5 percent, and between 2017 and 2022, was 4.7 percent (both figures are right in the range of the proposed cap).

## Percent Change in Median Contract Rent Relative to the Salazar/Hunter Bill's Definition of a Reasonable Increase

New York City, 2012-2022, 5-Year ACS



Sources: American Community Survey, NYU Furman Center

Period	Start Rent	End Rent	Percent Change	Average Annual Percent Change
2012-2017	\$1,060 (+/- \$3)	\$1,213 (+/- \$4)	14.4% (+/- 0.5%)	2.9%
2017-2022	\$1,213 (+/- \$4)	\$1,584 (+/- \$7)	30.6% (+/- 0.7%)	6.1%

These different data sources indicate that the proposed definition of reasonableness closely aligns with the pattern of actual rent increases in recent history, rather than capturing the extreme hikes that are sometimes used to argue for the necessity of a Good Cause requirement.

**By Vicki Been, Matthew Murphy, Mark Willis, Ryan Brenner, Hayley Raetz**

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*Correction:* A prior version of this report appeared on our website that included errors in counting properties with 4+ units using the 2021 New York City Housing and Vacancy Survey. Those errors are corrected in this version (updated 4/3/2024).