

NY If Supreme Court nixes NYC rent control tenants and landlords would be better off

By

Post Editorial Board

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The Supreme Court may hear a challenge to New York state's Rent Stabilization Law. Christopher Sadowski

<https://nypost.com/2023/08/27/getting-rid-of-nyc-rent-control-would-benefit-tenants-and-landlords/>

In a case that promises to utterly upend New York politics — and boost the city's housing market — the [Supreme Court may soon strike down](#) the essence of the rent control laws.

Local politicians love nothing more than to gesture on behalf of cheaper housing, as with the City Council bill [aiming to force landlords to pay](#) broker fees on rental units, or the drive for a state law that would (in the name of limiting evictions) [make rent control statewide](#).

This case could end the never-ending game, by gutting the core rent law.

In the process, it would end New York's eternal housing "crisis" practically overnight — benefiting both tenants and landlords.

In May, New York landlord groups asked the court to hear their challenge to the state Rent Stabilization Law, which lets the city cap rent hikes and gives tenants a virtually ironclad right to renew their leases.

It's led to some people renting the same unit for decades — and then passing it to a family member, caretaker or friend.

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SUPREME COURT

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In many cases, building “owners” never regain control over those units, even if they want them for their own families or other purposes.

And that, the suit contends, amounts to an unconstitutional “taking” of property, in violation of the Fifth Amendment.

For years, few would’ve imagined the law — which dates to 1969 — could be overturned, even though it forces landlords alone to eat the cost for a public good (affordable housing) and essentially deprives them of their own property.

The US District Court and the Second Circuit Court of Appeals both dismissed the suit after it was filed in 2019.

Yet the Supremes lately have stood up for property rights, backing owners with 6-3 votes in several key cases.

In 2021, by 6-3 they struck down a decades-old California rule that forced farms to let union organizers on their land, noting that private owners have a right to exclude people from their property.

That, argue the New York plaintiffs, is a far less intrusive “taking” than New York telling a landlord he or she must offer lease renewal at a city-dictated rent.



The plaintiffs argue that the rent control law amounts to an unconstitutional “taking” of property. REUTERS/Evelyn Hockstein/File Photo

The Rent Stabilization Law, they argue, has had a “detrimental effect on owners and tenants alike and has been stifling New York City’s housing market for more than half a century.”

They’re right: The lucky tenants with great deals on their units, even those well off enough to afford to pay full rent, hang on to them forever, keeping them off the market for truly needy families.

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An empty-nester with a three-bedroom may stay put rather than downsize, while a family of four must crowd into a one-bedroom — or leave the city altogether.

Landlords, meanwhile, [don't make upgrades](#) or sometimes even needed repairs because the rent caps keep them from recouping their expenses.

Tens of thousands of [units go vacant](#) because landlords can't earn back enough to bring the units up to code.

The Supremes will decide as soon as Sept. 26 whether to hear the case.

Progressive legal pundits pooh-pooh the idea of the justices striking down the law, but this high court already reversed *Roe v. Wade*, and six of its members are firm defenders of property rights (which those same "experts" barely deign to acknowledge).

If the court doesn't act, the city housing market is still headed for disaster: Roughly one landlord in five is losing money now; some will start walking away from their buildings.

If the justices do stick to their principles, it'll be a lightning bolt for local politics and the few who really win under the rent laws, but open the door to a housing market that works for landlords *and* the vast majority of renters.