

REBNY Testimony | November 18, 2025

The Real Estate Board of New York to The Joint Public Hearing on the Cost and Availability of Insurance for Residential Property

The Real Estate Board of New York (REBNY) is the City's leading real estate trade association representing commercial, residential, and institutional property owners, builders, managers, investors, brokers, salespeople, and other organizations and individuals active in New York City real estate. REBNY appreciates the opportunity to provide testimony at today's hearing on the cost and availability of insurance for residential property.

New York City is in the throes of a housing crisis driven by a severe lack of new production and an insufficient supply of affordable housing needed to meet the City's diverse socioeconomic needs. While the urgency of producing and preserving affordable homes is more acute than ever, rising property insurance costs now directly threaten both the long-term viability and immediate stability of the affordable multifamily rental housing stock.

To illustrate these challenges, a [recent study](#) by the National Equity Fund and Enterprise Community Partners highlights the growing financial strain on New York City's affordable housing providers. Examining 428 developments with over 37,000 income-restricted apartments, the study found that total operating expenses have risen by about 40% since 2017. This rise was driven most sharply by increases in insurance costs (+110%), administration costs (+51%), and repairs and maintenance (+35%). Average insurance costs per unit increased from \$712 to \$1,495 between 2017 and 2024. The Bronx experienced the steepest rise in insurance costs, with per-unit expenses reaching \$1,806 at the end of last year, compared to a citywide average of \$1,700. The \$1,806 per-unit cost significantly exceeds the median monthly rent of \$1,322 in the borough as reported in the most recent [Housing and Vacancy Survey](#).

As a result of rising insurance costs and increases in other operating expenses, 57% of affordable housing owners now spend more on operating costs than they earn in net operating income, the study found. Combined with a 4% decline in rent collection since 2017, this has led to average losses of \$75,000 per building, undermining the stability of much-needed affordable housing.

REBNY appreciates the Senate Committees on Investigations and Government Operations, Insurance, and Housing, Construction and Community Development for their collaborative efforts to address the growing challenges surrounding property insurance in New York. The Committees' recent decision to

launch a formal investigation to examine market-related factors impacting residential insurance policies represents an important step toward addressing the alarming cost escalation.

A comprehensive, data-driven understanding of the insurance market is essential to fully grasp the factors driving insurance premium increases and to evaluate the relationships among underwriting practices, claims, and risk mitigation. To that end, REBNY supports the legislative package recently introduced by Assemblymember Emerita Torres, which takes a data-driven, solution-oriented approach to the insurance crisis, including legislation that would:

- Require the Department of Financial Services (DFS) and the Department of Housing and Community Renewal (HCR) to publish annual reports on insurance premiums, nonrenewals, denials, and claims for multifamily and nonprofit housing providers across the state ([A9016](#));
- Establish a Statewide Housing Insurance Task Force, co-led by DFS and HCR. This task force would convene stakeholders and insurers to assess market conditions, collect and publish data, and issue policy recommendations that improve availability, pricing, and fairness in the insurance market ([A9015](#)); and
- Create a \$50 million Excess Liability Insurance Relief Fund to help bridge the growing gap between affordable housing owners' net operating income and their rising insurance costs. The fund would provide targeted grants to operators of affordable housing ([A7828A](#)).

REBNY believes these measures represent critical steps toward improving market transparency, stabilizing costs, and safeguarding the financial viability of New York's affordable housing stock. However, we caution that any legislative action in this space must be carefully crafted to ensure insurers remain active in New York and that property owners continue to have access to reliable coverage.

If left unaddressed, the continued escalation of property insurance costs will threaten the financial viability and preservation of the State's affordable housing stock that so many New Yorkers rely on. Confronting this growing challenge will require coordinated action among policymakers, insurers, and housing stakeholders to promote transparency, stabilize costs, and preserve affordability.

REBNY appreciates the opportunity to comment on this critical issue and looks forward to working collaboratively on solutions that protect and strengthen New York's housing market.

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