



**Joint Testimony of Assemblymember Linda B. Rosenthal, State Senator Liz Krueger and State Senator Brad Hoylman-Sigal Before the New York City Council
Regarding Intros. 948-A and 1107-A**

November 20, 2025

As New York State elected officials serving in the Legislature who share a long history of championing affordable housing and fighting the illegal conversion of residential homes into short-term rentals for tourists, we are gravely concerned that Intros. 948-A and 1107-A would decrease New York City's existing affordable housing stock, lower homeownership rates and lead to the displacement of tens of thousands of tenants living in one- and two-family homes. We strongly urge the New York City Council to reject both bills.

Cities and municipalities across the globe have effectively banned or severely curtailed short-term rentals to preserve their shrinking affordable housing stock and to ensure that vacant residential units are rented to long-term residents instead of tourists. New York State and City similarly enacted common-sense regulations following the exponential growth of short-term rental activity that displaced long-term tenants, increased rents and removed tens of thousands of units from the city's housing market. A January 2018 analysis conducted by the Urban Politics and Governance research group at McGill University estimated that 67,100 residential units were removed from the city's housing stock to be used as short-term rentals. A 2018 report by the New York City Comptroller concluded that New York City renters paid an additional \$616 million in rent in 2016 alone because short-term rentals facilitated by Airbnb reduced the number of units available to rent on a long-term basis and drove up rental prices.

We have worked collaboratively with affordable housing, tenant and community advocates for decades to stop illegal hotel activity in New York City and preserve our extremely limited housing stock for New Yorkers. We sponsored and passed state legislation to prevent entire apartment buildings, including single room occupancy units (SROs), from becoming commercial businesses, and strongly supported the enactment of Local Law 18 by the City Council in 2022. We strenuously believe in protecting New York's housing stock from the proliferation of short-term rentals; otherwise, we will continue to bleed much-needed affordable units that must and should be made available to financially strapped New Yorkers during a housing shortage.

These bills will undo much of the hard-fought progress that has been made over the last two decades to regulate short-term rental activity and will exacerbate our city's existing affordability crisis.

As you know, this very body passed Local Law 18 in 2022, which establishes a universal framework for those who wish to supplement their income by using home-sharing platforms. The law reasonably requires that hosts be present when renting their units on a short-term

basis, however, Intro. 948-A does away with that common-sense provision, allowing entire one- and two-unit dwellings to be used by short-term guests.

The data is clear for why this provision is being proffered – a study conducted by the Community Service Society of New York revealed that the Net Present Value (NPV) for a one-unit Airbnb conversion would be worth approximately \$410,700. That number pales in comparison to the NPV of a long-term, one-unit rental. The NPV increases to \$4 million in a converted three-unit building.

Those numbers coincide with the results of a study that was conducted by the University of California's Marshall School of Business that analyzed the prevalence of Airbnb listings by zip code and their impact on surrounding housing prices. The study estimates that home-sharing platforms raise the cost of home prices by one-seventh of the average annual increases in U.S. housing prices. The University of California recommended an owner-occupied model, similar to what New York City eventually adopted, to protect against escalating rents and home costs.

By rolling back those reasonable protections in the Big Apple, the New York City Council would create a situation rife for speculation, and eventually, eviction of current tenants, during both an affordability and housing crisis. This effort undermines the state and city's collective quest to create a more affordable city for New Yorkers, especially young families who are being priced out of the housing market altogether.

New York State already has one of the lowest rates of homeownership in the country. On Long Island and other parts of the state, New Yorkers are competing with deep-pocketed corporate entities that are outbidding working-class and middle-class New Yorkers, tempting owners with all-cash offers for homes. Our constituents, many of whom are living on stagnant salaries, cannot possibly compete with big equity groups, such as Blackstone, that are targeting places like New York City as they expand their \$300 billion real estate portfolio.

These bills will eventually serve the city's 327,100 rental units in one-and-two-family homes on a silver platter to those corporate giants, making life more unaffordable for the people we represent. According to MetLife Investment Management, institutional investors will control approximately 40% of all single-family homes by 2030. This number will only increase as Donald Trump continues to implement tariffs on steel, aluminum and other building materials that make constructing new homes more expensive, and by extension, make it harder to keep pace with supply. Churning a profit on investment properties is a better bet for corporations given the realities at the federal level.

Speculation, in addition to pricing out first-time homebuyers, also increases the likelihood of eviction. Approximately 18% of the city's 5.2 million tenants live in one and two-unit dwellings and are particularly vulnerable to rent hikes and displacement. These residents are not protected by rent-stabilization or Good Cause eviction laws, and 45% of them do not have a lease. New York City renters in one- and two-unit dwellings are, on average, poorer than market rate tenants, with the typical one- and two-unit household earning 64% of Area Median Income, 14% less than the typical market rate tenant. What's more, these units are home to a larger share of Asian, Latino and Black New Yorkers than market-rate units.

These units, many of which anchor low-income tenants in our communities, will become vulnerable to the whims of institutional investors who can and will offer incredible sums of money to buy these properties.

New Yorkers are clamoring for a more affordable future, one in which they, not corporate investors, can comfortably plant roots in their neighborhoods. We absolutely understand that people use home-sharing platforms to make ends meet, and currently under Local 18, they can and should continue doing so. However, deliberately creating a system that encourages homeowners to convert one or both of the units in their buildings into short-term rentals for tourists instead of renting them to New Yorkers, or sell their homes to the highest corporate bidder, will reduce our housing supply, drive New Yorkers from their homes and pad the pockets of billion-dollar real estate investors.

Thank you.