



**MEMORANDUM IN OPPOSITION
A4781/S2783**

The Rent Stabilization Association of New York City (“RSA”) represents 25,000 diverse owners and managers who collectively manage more than one million apartments in every neighborhood and community throughout New York City. The RSA submits this memorandum in opposition of A4781/S2783, which would prohibit real estate agents from collecting a commission from a prospective tenant.

Under current practice apartments are listed as “no fee” or there may be an upfront fee paid by the renter. In essence, these are fees that either are incorporated into the monthly rental charge or paid up-front. The renter has the option of using brokers, who charge for their time and expertise and help to navigate the complicated rental market, particularly as it relates to rent regulated rental units with their unique rules. The renter who chooses to use a broker may pay directly for this service. Brokers serve to match apartments and renters together and expedite the transaction using their expertise and market knowledge and do so on commission. This service is particularly valuable in a tight rental market where delay could result in the loss of a rental property.

If enacted this bill will complicate the rental market and make it more difficult and expensive for renters and owners. Renters will pay more long-term for free-market units as owners adjust rents accordingly to reflect the added costs. But for rent-regulated units, owners will be required to absorb all leasing and marketing expenses without any means of being compensated for this additional responsibility. Rent increases are already limited and fail to cover expanding government mandates, inflationary pressure and documented operating expenses. This additional mandate would further divert resources needed to maintain and operate New York’s current aging affordable housing stock. It also creates a barrier for many small owners, who do not have the time and resources to quickly market and rent apartments, which would add to the back up in making apartments available.

Further, to eliminate broker’s compensation will undermine a vital segment of New York’s economy that employs thousands statewide. The rental market has proven to be an important entry into the profession that will be stifled.

This legislation will hurt both renters and owners alike by raising rents and costs with particular pressure on the rent-stabilized market and in so doing impede access to a profession that rewards commitment and hard-work and doesn’t rely on a degree to enter.

Accordingly, the RSA opposes A4781/S2783