



Landlords Sue NYC Over Rent Freeze

Landlords are challenging New York City's rent freeze, saying the decision could hurt building owners.



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NEW YORK, NY— New York City landlords are challenging the City's first two-year rent freeze for regulated apartments, arguing the decision could make it harder for owners to maintain buildings as costs continue to rise.

The lawsuit, filed Wednesday by a group of small property owners, targets the Rent Guidelines Board's June decision to keep rents unchanged for roughly 1 million rent-stabilized apartments.

The owners claim the board ignored its own research and acted to fulfill Mayor Zohran Mamdani's campaign promise to "freeze the rent."

Small Property Owners of New York, whose members are among the plaintiffs in the lawsuit, argued that the Rent Guidelines Board ignored its legal responsibilities when it approved the freeze.

SPONY board president Ann Korchak said the decision was "predetermined" and claimed the board failed to act independently.

"The RGB failed to meet its legal mandate of setting rent adjustments based on its own data and research, which strongly justified a rent

increase,” Korchak said. “The rent freeze was illegal. The process was illegal and stacked against small owners of rent-stabilized properties.”

Sharon Redhorn, who owns a family-run building in East Flatbush, said her family has owned property in the borough since the 1970s, when they immigrated from the Caribbean.

“You can’t run a building like this on good intentions alone,” Redhorn said. “Every dollar I spend on repairs, I’m losing somewhere else.”

The Rent Guidelines Board cited data showing tenants’ incomes have not kept pace with inflation and that many renters continue to struggle with affordability.

The lawsuit argues the board’s process was flawed and asks a court to block the freeze and require the board to approve rent increases instead.

Why Are Landlords Challenging The Rent Freeze?

The lawsuit claims the Rent Guidelines Board abandoned its independence and produced a predetermined outcome.

The nine-member board approved the freeze for new one- and two-year leases after reviewing data on landlord expenses, tenant income and housing conditions.

The complaint cites the resignation letter of former board member Christina Smyth, a landlord representative who left before the June vote.

Smyth wrote that the board has “become a body that starts with an answer and vice codes its way backward to justify it.”

The plaintiffs are seeking communications between the board and City Hall, the Mayor’s Office to Protect Tenants and the City’s new tenant engagement efforts as part of their case.

What Does The Rent Freeze Mean For Tenants?

For renters in regulated apartments, the freeze means no increase on new one-year or two-year leases covered by the board's decision.

New York's rent stabilization system applies to about 1 million apartments across the five boroughs.

The rules generally cover older buildings with six or more units, along with some newer developments receiving government benefits.

Tenant groups celebrated the decision as relief for renters who have faced rising living costs.

But the policy has intensified debate over whether landlords can afford to maintain aging buildings without higher rental revenue.

What Costs Are Landlords Facing?

Landlords involved in the lawsuit say expenses have increased across several categories, including insurance, repairs, taxes, utilities and building operations.

The Rent Guidelines Board reviewed similar cost increases, but also considered tenant financial conditions.

Board data showed owners' insurance, maintenance and utility costs increased. It also found that tenant incomes had not kept pace with inflation and that financial hardship indicators increased.

The dispute centers on how those competing pressures should influence annual rent decisions.

Why Do Housing Violations Remain Open For Years?

The rent freeze lawsuit comes as the cCty prepares to change how it handles unsafe housing conditions and landlord violations.

After thousands of renters described unresolved problems during the city's Rental Ripoff Hearings, the administration proposed tougher enforcement against landlords with repeated violations, expanded tenant organizing efforts and new tracking tools.

Housing attorney Maria Beltrani said the biggest issue she sees in landlord-tenant disputes is not always whether a repair is needed, but whether the building condition gets corrected and documented.

Beltrani, a partner at Schwartz Sladkus Reich Greenberg Atlas who has handled landlord-tenant disputes for more than 30 years, said outdated violations often remain on records because landlords fail to certify completed repairs.

"A lot of times the violations on a building can be very old and could be related to a condition that was corrected, but because the landlord didn't certify the correction timely, the violation remains of record," Beltrani said.

She advises landlord clients to monitor violations, schedule inspections and clear outdated records.

Removing violations can help owners avoid additional penalties and make it easier to refinance, sell properties or participate in city programs.

Why Is Apartment Access A Problem?

Beltrani said one of the biggest obstacles to resolving violations is getting access to apartments.

Inspectors often need to enter individual units to confirm that repairs have been completed.

If tenants are unavailable or do not provide access, violations can remain open.

She said the process for landlords to obtain court orders allowing apartment access is too slow and expensive.

“The process to obtain an access order expeditiously and cost efficiently is desperately needed because it’s not expeditious or cost efficient,” she said.

What Changes Could NYC Make Next?

The City’s proposed housing enforcement plan includes allowing liens on buildings with unpaid housing penalties.

A lien gives the City a legal claim against a property and can affect an owner’s ability to sell, refinance or access certain housing programs.

Beltrani said the tool already exists in limited situations, but expanding it could create new consequences for owners.

“Putting a lien on a property is going to negatively impact an owner’s ability to sell, or refinance, or participate in many of the HPD-run programs,” she said.

She called it a “two-edged sword” because stronger enforcement could pressure landlords with serious violations while also creating challenges for owners trying to make repairs.

What Do Landlords And Tenants Need To Know?

Beltrani said improving communication between landlords and tenants could prevent some disputes before they reach court.

The City’s proposal includes expanding tenant organizing efforts through its “Talk to Tenants” outreach campaign, which connects renters in buildings with repeated problems to tenant rights information and organizing resources.

Beltrani said New York already provides legal protections for tenant associations, including protections against retaliation and requirements allowing certain tenant meetings.

“I think communication is key,” she said.

She added that many of the City's proposed programs already exist in some form and that improving enforcement capacity may be as important as creating new rules.

"The focus should be on improving the city's ability to implement those programs at an optimal level," Beltrani said.