RENT FREEZE DEFENSE
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PRESS RELEASE

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TENANTS MOVE TO INTERVENE IN LANDLORD SUIT AGAINST THE RENT FREEZE

PRESS CONFERENCE
WHEN: FRIDAY, AUGUST 14, 2026, at 5 PM
WHERE: PA'LANTE Harlem, 1411 Amsterdam Ave.

NEW YORK: Tenants and their advocates today are moving to intervene in the landlords' lawsuit, Kenilworth Holdings LLC et al. v. New York City Rent Guidelines Board, to nullify the rent freeze ordered by the NYC Rent Guidelines Board in June. (The motion papers will be available at the press conference.) The freeze affects one- and two-year rent-stabilized leases starting or renewing any time from October 1, 2026, through September 30, 2027. In New York City, there are some 2.4 million rent-stabilized tenants.

As set forth in today's motion—being filed in the State Supreme Court in Richmond County—the Board's decision was adopted in the wake of years of excessive rent increases, rising owner net operating income, and crushing rent burdens for tenants.

The landlords' petition presented the court with

- misleading, cherry-picked statistics;
- an analysis of the financial health of the rent stabilized housing stock that is myopically short-term;
- inflammatory personal attacks on members of the RGB and New York City employees (drawing on years-old social media posts and statements having no bearing on the rent guidelines);
- individual claims by a select group of six landlords of low returns or operating losses in buildings that variously suffer from excessive debt loads, collection

losses, and major capital improvement needs (supported by separate rent increases controlled by statute).

Their lawsuit seeks, in short, to insulate them against their own questionable investment decisions (some very recent), poor business practices, building neglect, and the fact that they may have low-income tenants who struggle to pay the rents.

Key facts in the tenants' motion tell a very different and more credible story.

The RGB is independent. For most of the RGB's history, the sitting mayor has appointed the majority of its members. That is different from mayoral intervention. Describing this year's deliberations, RGB Public Member **Arpit Gupta** (appointed by Mayor Eric Adams), said: "Unlike in some previous years, I observed no interference by the administration in individual members' decisions. I have to credit the administration on that independence, and I have to credit the professional, hardworking staff who provided excellent data and services. I stand firmly on those two points. . . . How to interpret the mandate is largely a matter of discretion left to the board."
https://www.vitalcitynyc.org/mamdani-rent-freeze-conversation/

Landlords' net operating income has risen 56.6%—*after adjusting for inflation*—since 1990, when the RGB staff began collecting comprehensive income and expense data. That figure includes all sources of income—deregulated apartments, major capital improvement increases, and individual apartment improvement rent increases. 2026-IE-Study-Final.pdf page 12.

> *My landlord seems to be doing fine. The owner earlier expanded the number of ground floor offices in our building from four to ten, and has been buying up other buildings, as well as forgoing about $200,000 in rents by warehousing some 16 rent-stabilized apartments. —Sue Susman, president of the Central Park Gardens Tenants' Association, Inc.*

RGB increases are 6.7% over inflation and rising costs. Since 1990, the RGB has authorized a total of 247.32% in rent increases (through 2025). Had the RGB authorized 240.62% in increases over this period, it would have been enough to keep owners "whole" by covering operating costs and preserving net operating income from the effects of inflation. See testimony of Timothy Collins, former executive director of the RGB, April 22, 2026. Yet under the previous mayor, the RGB hiked rents more than 12%. Landlord profits grew by 30% during that same period.

After decades of increases exceeding landlord costs, the current RGB guidelines are a needed corrective. Instead of rewarding those whose shaky business plan (before the 2019 Housing Stability & Tenant Protection Act) was buying at high prices and deregulating properties to inflate the rents, the RGB looked at the full data.

Prior excesses severely increased the rent burdens to tenants since 2008. According to the triennial Housing and Vacancy Survey, tenants' rent burdens (over 30% of income) went from 31% in 2008 to an average of 36% by 2021. These hardships were the direct result of the RGB's past excesses. During this same period homelessness more than doubled. 2026-Income and Affordability Study.pdf, p. 22.

The process was open to all landlords and rent-stabilized tenants. The fact that affordability is in the public consciousness and more tenants came out to testify does not nullify the validity of their testimony or the RGB's decision.

The RGB fulfilled its mandate. The rent freeze was correct.

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