



Testimony for the New York State Senate Finance and Assembly Ways and Means Committees
Joint Legislative Budget Hearing ~ Housing

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On behalf of Zillow, I am writing to express our support for the State's continued commitment to addressing the New York housing affordability crisis, including measures highlighted in Governor Hochul's proposed State Fiscal Year (SFY) 2025 Executive Budget.

Zillow was founded to bring transparency to the real estate market, empowering consumers to make smarter, more informed decisions in what is often the most significant financial transaction of their lives. We achieve this vision by not only offering innovative products and services but also by "turning on the lights" for consumers and policymakers with [industry-leading economic research](#) and [advocating for effective housing policies](#) that make it easier for consumers to move.

New York continues to face a severe housing affordability crisis for renters and homeowners alike through increased upfront costs, insufficient housing supply, and friction in the process. Recent Zillow analysis shows that typical monthly mortgage payments in the New York City metro area have grown by 82% to \$3,222 this January since before the pandemic. Typical rent has increased 21% to \$3,115 since before the pandemic in the New York City metro area.

For New York State, typical monthly mortgage payments in the state have risen 86% to \$2,311 since before the pandemic.

Upfront Costs

Upfront housing costs for renters, such as broker fees and security deposits, and owners, such as down payment assistance and closing costs, can put acquiring safe, decent, and affordable housing out of reach for many households. In New York City, renters face sharp increases in the upfront costs required to move into a new apartment. [In 2023, the average New York City Resident spent \\$10,454 in upfront costs for a rental](#) — a significant financial burden amounting to 14% of the city's median household income of \$74,694, according to the Census Bureau's 2022 American Community Survey.

Unlike other cities, New York City renters are often required to cover the broker fee even though they did not formally engage the broker on their own before touring a unit — rather, the landlord did so. While the agent ultimately provides services to the landlord, the landlord can have the fee passed along to the

renter through what is called “single agent dual agency,” whereby the agent theoretically represents both the landlord and renter in the transaction.

We support policies that would require tenants to pay a real estate agent only when the tenant hires the agent to represent them in a residential rental transaction and ban the practice of single agent dual agency, whereby the agent theoretically represents both the landlord and renter in the transaction, which will provide renters with increased transparency and significant financial relief on upfront rental costs.

Housing Supply

Adopting zoning laws and tax incentive programs can encourage and bolster housing development across income brackets, especially in hard-to-develop areas, including ADU/basement apartment conversion and commercial-to-residential conversion.

We applaud Governor Hochul for putting forth policies to increase the housing supply. This includes legislation specific to New York City to bolster local tax incentives allowing for affordable housing in office-to-residential conversions and to create a pathway to legalize basement apartments. We also commend Governor Hochul on making \$250 million, the first installment of \$500 million, available to repurpose state-owned facilities and properties for housing development.

At Zillow, we’ve partnered with the Casita Coalition to help increase housing supply for the missing middle. We are currently co-authoring a playbook to be published later this year, which will delve into public sector strategies for increasing housing supply nationwide. This type of education, coupled with state regulatory and legislative activity, are steps needed to close the gap in housing availability.

Friction

We call on Governor Hochul to strengthen the Division of Human Rights enforcement efforts to combat source of income discrimination with a minimum allocation of \$8 million for New York State Homes and Community Renewal’s Fair Housing Testing, Education, and Networking Program in the 2025 budget. Resources support the ongoing fair housing work of a statewide coalition of fair housing organizations, deepen this critical work in rural and peripheral areas of these organizations’ service areas, and expand the program's parameters to allow for a broader range of services not tied to fair housing testing. Despite source of income discrimination being illegal in New York state since 2019, this form of discrimination unfortunately still occurs.

We also encourage additional resources to increase education and tenant outreach regarding their rights. Providing specifics on reporting violations would ensure renters remain well-informed in their search for new housing and help strengthen the enforcement of the Housing Stability and Tenant Protection Act of 2019.

Supporting Homeowners and Efforts to Close the Racial Homeownership Gap

Becoming and staying a homeowner continues to be out of reach for many New Yorkers. According to the *Racial Disparities in Homeownership* report issued by Attorney General Letitia James, 67% of white households own their home, compared to 34% of households of color (32% for Black households and 27% for Latino households). While the state has attempted to address this disparity through programs such as SONYMA's *Credit Is Due*, more can be done. Zillow encourages the Governor and Legislature to consider legislation passed in other states that offer solutions to this disparity, including the [Washington Covenant Homeownership Act](#) and the [New Jersey First Generation Homeownership Program](#).

To keep homeowners in place, based on recommendations from the Center for New York City Neighborhoods, we ask the Governor and Legislature to include in the budget \$40 million in funding for [HOPP](#) at \$40 million and resources for NYC homeowners in need of home repair.

In closing, the proposals in the SFY 2025 budget are important steps toward increasing housing supply, alleviating some of the financial burden, and protecting tenants statewide. We encourage the executive and legislature to invest in real solutions that will move the dial in addressing New York's housing crisis.

We look forward to engaging in these important conversations in the months ahead.

Sincerely,

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