

## Opinion **New York City**

### A rent freeze is not the answer to New York's housing crisis

If he is elected mayor, Zohran Mamdani should concentrate on expanding supply

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Published AN HOUR AGO

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With only a few weeks to go until New York City's mayoral election, the frontrunner, Democrat Zohran Mamdani, is running on a familiar rallying cry: a rent freeze for all 1mn rent-stabilised tenants. Record-high rents have left many New Yorkers desperate for relief, and it's no surprise that a candidate promising protection from landlords is drawing broad support.

However, tighter rent control is the wrong solution for this moment. It may soothe frustration in the short term, but in practice it exacerbates the very problem it is meant to solve — housing affordability.

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Here are some key facts that New Yorkers — and their next mayor — should keep in mind. High rents are a sign of success. Like any price, rent rises when demand outstrips supply. New York has rebounded from the slump induced by the pandemic with vigour. It remains the top destination in the US for college graduates, drawn by both its world-class amenities and unparalleled job opportunities. Rents are high because people want to live and work here.

But housing supply hasn't kept up. The pace of new construction hasn't been unusually slow by historical standards. However, job growth and population demand have far outpaced the number of units built. When more people chase too few apartments, prices go up.

In 2019, the then governor of the state of New York (and now Mamdani rival), Andrew Cuomo, signed a new law that sharply tightened rent stabilisation, limiting landlords' ability to recoup maintenance and repair costs. Meanwhile, the Rent Guidelines Board approved rent increases that fell far short of rising operating expenses. Add surging mortgage interest rates, and many landlords now can't break even.

The result is distress. Nearly a quarter of mortgages on rent-stabilised properties in the city are delinquent, the highest default rate of any US real estate sector. Many landlords are mothballing units in need of renovation rather than locking in guaranteed losses.

New York's leaders therefore face a choice: keep squeezing owners until the city's housing stock withers, or pursue reforms that actually add supply and bring units back online. So what could the next mayor do?

First, revive the shuttered stock of rent-stabilised apartments. Offer landlords a one-time forgivable loan to finance necessary repairs — with the condition that renovated units must be rented promptly. This would provide an immediate injection of affordable housing.

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Second, work with the state assembly in Albany to reform the 2019 law to allow legitimate maintenance and repair costs to be passed through to rents.

Finally, and most importantly, build more housing. Some 44 office-to-residential conversions are already under way and promise to deliver around 17,000 new apartments. Rezoning neighbourhoods such as Midtown South and Long Island City, among others, could unlock thousands more units.

Critics say new construction only produces luxury apartments. But what matters isn't the rent on each new unit — it's the total number of homes. Economists call this process "filtering": when wealthier tenants move into new buildings, older units become available at lower prices. Every additional apartment helps. The only time this logic breaks down is if supply growth attracts even more newcomers to the city. But New York has always been a magnet, and shutting the door is neither possible nor desirable.

Density is also key. Much of Brooklyn and Queens remains surprisingly low-rise, even near transit hubs. Tokyo, for instance, manages far more housing affordability precisely because it allows more people to live near rail lines. A growing “Yimby” movement is calling for similar reforms here. They’re right: thoughtful “upzoning” to allow for denser development is essential if New York is to remain liveable for the next generation.

Rent control may be a great message for a political campaign, but regulation that is too tight reduces supply, drives out investment and degrades housing stock. If Mamdani wants to lead New York into a more affordable future, the path forward is clear: bring vacant apartments back, reform misguided rules and, above all, build more housing.

New Yorkers deserve a city that welcomes new residents while keeping longtime tenants housed in safe, well-maintained buildings. Rent freezes won’t achieve that. It will happen only if the next mayor embraces the hard but necessary work of expanding supply.

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