

Supreme Court Turns Away Challenge to New York's Rent Regulations

Landlords had argued that a rent-stabilization law that covers about a million units is an unconstitutional government taking of private property.



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Reporting from Washington

Oct. 2, 2023

The Supreme Court announced on Monday that it would not hear a challenge to New York's rent-stabilization regulations, under which the government sets maximum permissible rent increases and generally allows tenants to renew their leases indefinitely.

The challengers had argued that the regulations, which cover about a million dwellings in New York City, amount to an unconstitutional government taking of landlords' property.

Other petitions asking the Supreme Court to rule on aspects of the regulations are pending, and the justices may yet agree to consider one or more of those cases.

In a pair of decisions in February, a unanimous three-judge panel of the U.S. Court of Appeals for the Second Circuit rejected that argument.

"We acknowledge that some property owners may be legitimately aggrieved by the diminished value of their rent-stabilized properties as compared with their market-rate units," Judge Barrington D. Parker Jr. wrote in one of them. "Furthermore, we understand that many economists argue that rent control laws are an inefficient way of ensuring a supply of affordable housing."

But Judge Parker said Supreme Court precedents allowed legislators to strike the appropriate balance. The Supreme Court has said that government regulation of private property can be "so onerous that its effect is tantamount to a direct appropriation or ouster."

But the court upheld rent regulations in a unanimous ruling in a 1992 case concerning a mobile-home park in Escondido, Calif. The justices reasoned that regulation of the terms of a lease did not amount to the sort of complete government takeover of property that is barred by the takings clause.

In a petition asking the justices to hear the new case, lawyers for the challengers wrote that "the easily demonized owners of New York City rental units" are "vastly overwhelmed in New York's political process by the combined voting power of the tenant-beneficiaries of those million subsidized apartments and the 4.3 million working taxpayers in the city who would otherwise foot the bill for providing affordable housing."

"Politicians can make tenants and taxpayers alike happy," the petition said, "by shifting the cost of providing below-market-rate housing onto a minority of building owners."

Redmond Haskins, a spokesman for the Legal Aid Society, which represented tenants' groups defending the regulations, said in a statement that "we welcome this decision, one rooted in the law and longstanding legal precedent."

The trade associations that brought the challenge — Community Housing Improvement Program and Rent Stabilization Association of N.Y.C. — vowed to continue to fight.

"We see the Supreme Court's decision not to take our case as a signal to bring more targeted challenges to specific provisions of the law illustrating direct impacts on housing providers," the associations said in a statement. "This is not the end of the road."

Adam Liptak covers the Supreme Court and writes *Sidebar*, a column on legal developments. A graduate of Yale Law School, he practiced law for 14 years before joining The Times in 2002. More about Adam Liptak

A version of this article appears in print on , Section A, Page 15 of the New York edition with the headline: Justices Decline to Hear Rent-Stabilization Case