



Case Study 7.1: Stabilizing NYC and CDP Report: The Predatory Equity Story: Tenant Perspectives on Speculative Landlords, Displacement, and Fighting for Justice, 2017

Background on Coalition and Issue

Over the past decade, New York City's affordable housing market has been severely destabilized. Following the financial crisis of 2008, buildings across the City fell into foreclosure or were sold by long-time landlords. At the same time, many housing organizations noticed new entities buying up large portfolios of rent-stabilized buildings. Often these new owners took on huge amounts of debt and used mortgage loans from banks to finance the deals.

Hoping to seize an opportunity to profit, these new owners began aggressively pushing rent-stabilized tenants out, in order to increase rent revenue, using a wide range of harassment techniques. Housing organizations identified this behavior as "**predatory equity**," which can be described as speculative and risky financial investment in buildings, with the expectation of quick, tremendous profits at the expense of tenant quality of life and building conditions.

Stabilizing NYC was formed in 2014 in order to organize against predatory equity's threat to affordable housing, and share and build on the collective experiences of New York City tenants. The coalition realized that while the tactics of predatory equity landlords may look different in different neighborhoods, it was all part of the same overarching strategy to displace long-term rent-stabilized tenants.

In order to document the practices of predatory equity landlords and create a definition of predatory equity rooted in tenant experiences, SNYC partnered with the Community Development Project at the Urban Justice Center (CDP) to conduct a participatory action research project. The project ultimately resulted in a report that describes the aggressive tactics that predatory equity landlords use to push out rent-stabilized tenants and increase the number of market-rate tenants, and outlines legislation that would protect tenants from harassment and force landlords to prioritize tenant safety. The findings from the report were shared at a community meeting where tenants from across the city discussed the research and brainstormed ways to increase tenant power across boroughs, and will be used to advocate for the legislation outlined in the report.

Below is a description of the Stabilizing NYC Research Project, based on the Participatory Action Research guiding framework (see Tools [2.1](#) and [2.2](#)).

WHAT...

Were the Organizing Goals connected to this research?

- Identify what predatory equity looks like across the City and the emotional effect of PE on the lives of tenants;
- Develop a frame and platform that puts all various manifestations of predatory equity together under one umbrella to communicate the story about predatory equity in NYC to elected officials and the wider community;
- To ultimately change the ways that buildings are valued, priced and lent/mortgaged in a way that is responsible and sustainable for tenants.

Overall questions did SNYC want to answer through their research?

- What is the on-the-ground definition of predatory equity?



- What does predatory equity look like in each borough from the perspective of rent stabilized tenants?
- What is the impact of predatory equity on the lives of tenants?
- What is the emotional impact of predatory equity on tenants and communities?

WHY...

Is this research useful or important for SNYC?

- INTERNALLY: to base build and educate rent-stabilized tenants; to develop member leaders and their outreach skills; to form a citywide tenant union;
- EXTERNALLY: to build a platform for elected officials and other key government officials to understand the various ways that predatory equity affects tenants; to highlight the coalition's work on combatting aggressive tactics employed by landlords to push out rent-stabilized tenants.

WHO...

Are the Stakeholders in this Issue?

- Tenants living in rent-stabilized apartments in New York City.

Was SNYC trying to influence?

- New York City Councilmembers, Mayor's office, predatory equity landlords, mortgage lenders financing predatory equity landlords.

HOW...

Did the coalition gather information (what methods did they use)?

1. **FOCUS GROUPS:** Stabilizing NYC groups conducted 10 focus groups across the Bronx, Brooklyn, Manhattan and Queens with tenants living in predatory equity buildings where SNYC is actively organizing. The focus groups were conducted in English, Spanish, Bangla and Chinese and gathered qualitative data about the experience of living in a predatory equity building.
2. **SURVEYS:** SNYC tenant members and organizers collected 877 surveys from 158 predatory equity buildings in the Bronx, Brooklyn, Manhattan and Queens where SNYC is actively organizing. The surveys were administered in English, Spanish, Chinese and Bangla and collected quantitative data from tenants.
3. **SECONDARY RESEARCH:** CDP researchers collected background information on harassment cases and building violations of the landlords and buildings that the coalition was targeting in order to explore the extent to which landlords are harassing tenants and neglecting their repair needs.
4. **LITERATURE/LEGAL REVIEW:** CDP researchers reviewed previous studies on tenant conditions and current housing policies in order to build a platform of recommendations to combat predatory equity practices.

Did Research support CFR's organizing efforts?

- The survey project provided opportunities to base build and educate community members. The focus groups provided member leaders with the opportunity to learn facilitation skills and a deepened understanding of the various tactics predatory equity landlords use to harass tenants.
- SNYC and CDP researchers hosted a community meeting for over 80 tenant members and leaders across New York City in order to discuss the results of the research and brainstorm ways to organize across boroughs to increase tenant power and fight predatory equity practices. The meeting featured a presentation of the report's findings as well as a gallery walk of [infographics](#) summarizing the data that was



collected by SNYC organizers and members. The meeting also launched a citywide tenant union of tenant leaders in order to strengthen relationships between communities across boroughs.

Did research impact policy change?

The report outlines the coalition's three legislative bills that would increase scrutiny on predatory equity landlords, as well as lenders who finance predatory equity purchases:

- **Intro 1210 – Owner Watch Lists.** This bill would require the Department of Housing Preservation & Development (HPD) to create a watch list on their website for owners of multiple dwelling buildings (6 or more units) who are engaged in predatory equity practices.
- **Intro 1211 – Conspiracy to Harass.** This bill would create a rebuttable presumption (believed to be true until proven otherwise) regarding tenant harassment for certain buildings that meet criteria defined in Intro 1210.
- **Intro 1212 – Lender Watch List.** This bill would require the Department of Housing Preservation & Development (HPD) to create and maintain a watch list on their website of lenders who provide financial support to owners engaged in predatory equity practices. The lender watch list would contain information about which landlords and buildings the lender was financing, and this information would be shared with federal and state agencies overseeing banking rules and regulations.

Read the report [here](#).