It’s a familiar scenario for many landlords and multifamily sellers in upstate New York: you list a tenant-occupied building, expecting it to move quickly, and now it’s been sitting for 60 days with little to no traction. What should you focus on fixing first? Should you upgrade the kitchen? Improve curb appeal? Or address rent rolls and tenant compliance issues?

As someone who’s been in this market for over a decade—watching listings and deals unfold across the Capital Region—I can tell you the answer isn’t as obvious as the usual home-flipper advice. Instead, you need to start with what truly moves deals with tenant-occupied buildings today: understanding the shifting legal landscape, untangling common exemptions, getting rent cap math right, and knowing who your real buyer pool is now.

The Tenant-Occupied Landscape: Know Your Surroundings

First, let’s frame why listings sit longer these days, especially with tenants in place. The recent introduction and municipal adoption of Good Cause Eviction rules, paired with statewide rent cap laws, have fundamentally reshaped the market. These aren't just theoretical regulations either — they directly affect sale prices, buyer interest, and financing.

Good Cause Eviction & Municipal Opt-Ins

The New York State Association of Realtors (NYSAR) provides good framework updates on rent regulations, including how cities within New York have chosen whether or not to opt-into Good Cause Eviction laws. If your municipality has opted in, the protections for tenants tighten considerably. This means:

- Buyers face limits on removing tenants without just cause, adding stress during transition
- Potential delays and legal hurdles in lease terminations, affecting timelines
- Higher perceived risk for investor buyers who want more control

Many owners misunderstand this opt-in reality. They mistakenly believe exemptions apply widely or that Good Cause doesn’t restrict lease renewals. But municipal opt-ins are explicit and affect tenant removal and rent setting. Fixing your listing to reflect these realities—by disclosing clearly and pricing accordingly—is step one.

Exemptions and Why Owners Misread Them

You may have heard or read that certain units or buildings are exempt from rent regulation, and thus unaffected by Good Cause Eviction or rent caps. Unfortunately, this is often where owner hopes clash with legal detail. The truth is nuanced:

- **High-rent and new construction exemptions:** These are limited and come with strict thresholds subject to annual inflation adjustments
- **Owner-occupied units:** May be exempt from certain eviction protections, but buyer pools for these buildings are shrinking
- **Vacancy decontrol:** Increasingly difficult under the new rules, meaning turnover doesn’t reset rent caps as easily as before

Misreading exemptions can lead to overpricing, which in turn widens the dreaded *pricing mismatch* that scared away many owner-occupant and flipper buyers post-2020.

Getting the Rent Cap Math Right: CPI-Based Ceilings and Cap Rate Reset

One of the biggest deal killers I track is inaccurate rent cap calculations—something that's too often glossed over in seller marketing materials. If you're relying on eyeballing or old Facebook posts rather than running the numbers with a calculator, you're likely to miss the mark.

The math around rent caps (largely based on the Consumer Price Index or CPI) dictates how much landlords can increase rents annually. With inflation ebbing and flowing, knowing your exact cap is essential for both sellers and buyers:

Item Key Point Effect on Sale Allowable Rent Increase (CPI-based) Usually capped between 2-3% annually, varying by area and lease type Limits income growth potential—buyers adjust their valuation downwards accordingly Rent Cap Starting Point Based on legal regulated rents not market comps Incorrect starting point skews pro-forma, leading to inflated asking prices Cap Rate Reset Investors often require higher cap rates due to perceived regulatory and tenant risk Tighter cap rates translate to lower price expectations—must reflect properly in your listing

One common mistake I see: sellers price their buildings like single-family homes on the market, ignoring the rent cap math, which leads to unrealistic valuations. That's your **pricing mismatch** working against you.

The Buyer Pool Shift: Who's Still in the Market?

Pre-2020, owner-occupants and small-scale flippers formed a significant segment of buyers in the upstate multifamily market. However, regulatory changes are driving these groups away, reshaping demand:

- **Owner-occupants:** Opting out due to complexity and cost of managing regulated tenants and compliance with new laws
- **Flippers:** Finding their short-term rehab and rent reset strategies thwarted by CPI rent caps and good cause protections
- **Long-term investors:** More discriminating, focusing on stabilized income, accurate rent rolls, and precise cap rates

With a shrinking owner-occupant and flipper cohort, your marketing approach and fix-up strategy must target more sophisticated investors, who:

1. Want clean, complete rent rolls with historic rent payment and increase data
2. Expect compliance with all local and state regulations—no guesswork
3. Value transparent disclosures about exemptions and tenant rights
4. Price properties on an updated cap rate basis that accounts for restrictions

What Fixes Should You Prioritise to Move Your Listing?

So the million-dollar question: what should you fix first to get your tenant-occupied listing moving?

1. Sanity-Check Your Rent Roll and Tenant Data

Before investing in physical upgrades, verify your rent roll is fully documented, accurate, and compliant with rent cap laws. This means including:

- Detailed rent history per unit, tracking CPI-based increases
- Security deposit records—missing these can scare off buyers immediately
- Copy of signed leases and rent receipts for the last 12 months
- Disclosure of any exemptions with proper backing documentation

The McDonald Real Estate Check over here Company offers good benchmarking tools for rent roll reviews. Using their templates can help avoid common deal killers.

2. Confirm Compliance with Good Cause Eviction and Local Ordinances

Engage your attorney to review or update your understanding of municipal opt-in status and eviction rules. Sellers who ignore or misstate this risk both deal fallout and liability post-sale.

3. Price for the Regulatory Reality

Adjust your asking price to reflect the lower cap rates buyers require under rent caps and tenant protections. That includes recalculating net operating income with accurate rent cap ceilings.

4. Delay Fancy Cosmetic Upgrades Unless They're Truly Necessary

Unlike single-family homes, where updated kitchens can boost value, multifamily buyers often care more about long-term income stability and legal exposure. Remodels or granite counters without a solid rent roll or compliance disclosure won't fix a *cap rate reset* issue or *pricing mismatch*.

5. Educate Buyers Proactively

Put your cards on the table upfront. Providing clear communication about rent cap limits, exemptions, tenant rights, and compliance shows professionalism, builds trust, and speeds due diligence.

Final Thoughts

Listings with tenants taking a long time to sell usually signal a **pricing mismatch** driven by changes in the cap rate expectations and a **buyer segment change** post-regulation. Fixing cosmetic issues won't close these gaps.—the real priority is legal, financial, and data transparency.

Remember: buyers today want confidence that the rent roll is rock solid, that the rent cap math is watertight, and that local Good Cause Eviction rules and exemptions are thoroughly addressed. Focusing on those elements first, before anything else, will turn that 60-day stall into a successful sale.

If you want recommended tools, check out the McDonald Real Estate Company for rent roll and valuation support, and keep the NYSAR resource hub handy for ongoing regulation updates.