



“We will rally the troops. We will literally march in Albany:” Industry gears up for another pied-à-terre fight

Industry insiders are unified in opposing the proposed tax but have different views on approach

TRD New York / By [Erin Hudson](#)

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Clockwise from left: Corcoran’s Pam Liebman, Compass’ Heather McDonough Domi and Elizabeth Ann Stribling-Kivlan, Warburg Realty’s Frederick Peters and REBNY president James Whelan

State lawmakers who plan to reintroduce the pied-à-terre tax should brace themselves for “a lot of firepower” from the real estate industry, which is still licking its wounds from the historic rent law defeat in June.

“We will rally the troops. We will literally march in Albany. We will do everything we can to make people understand that this is not a good thing,” said Corcoran Group’s Pam Liebman, in response to the lawmakers’ renewed effort to **annually tax non-primary residences**.

The **pied-à-terre tax** began to gain traction in the lead up to the state budget deadline in April, but it lost steam after implementation proved too “onerous.” Now, the bill’s sponsor, Manhattan state senator Brad Hoylman, is promising that the tax will make a comeback in January.

James Whelan, president of the Real Estate Board of New York, indicated that he hadn’t yet met with **state officials** to discuss their latest push to implement the annual levy, but noted that the board would continue to oppose the tax, as it did before.

“What do you gain out of it?” he said. “There will be less jobs, less tax revenue for other government services.”

Though the industry is unified against the proposed tax, it’s an open question whether they’ll be fighting together.

The New York Residential Agent Continuum, an organization that formed last year to represent residential agents, has resolved to take a more active stance in politics this year and has hired its own lobbyist Jonathan Greenspun from Mercury. Compass broker Heather McDonough Domi, a founding co-chair of NYRAC, said the pied-à-terre tax would be one of the issues the group will focus on.

Liebman is also looking to take an independent stance. While she said there are no plans to hire their own lobbyist, Realogy-owned Corcoran and Citi Habitats will employ their own strategy.

“I think REBNY serves a really good purpose but I think we also need to have a separate voice,” she said, adding that “I think all the firms together will provide a lot of firepower to discuss this legislation.”

Halstead’s Diane Ramirez, who is one of REBNY residential directors, held the line and said her firm will “join forces with the strongest arm that we have, which is REBNY.”

Notably, last spring when the tax seemed poised to become law, the brokerage’s owner, William Zeckendorf, took the unusual step to hire his own lobbyist and himself appear in Albany to talk lawmakers along with a REBNY economist. Months later, as sweeping changes were made to the state’s rent laws, many multifamily landlords opted to go the same route and hire their own representation.

Ramirez said Zeckendorf was acting “as a concerned citizen,” and that Halstead will continue to work through REBNY without hiring its own representation. Zeckendorf did not respond to requests for comment.

A pied-à-terre tax on wealthy non-residents is hardly a bold new idea in New York. A 2014 proposal from the Fiscal Policy Institute, which envisioned a surcharge for absentee owners of apartments valued at \$5 million and up, was roundly criticized by real estate insiders, including the REBNY. More than a decade ago, the Bloomberg administration had also considered funding the MTA with some kind of real estate tax.

Elizabeth Ann Stribling-Kivlan, a senior managing director at Compass and co-chair of REBNY’s residential committee, said she welcomes a multitude of industry strategies in opposing the tax. “The more people who get involved the better,” she said.

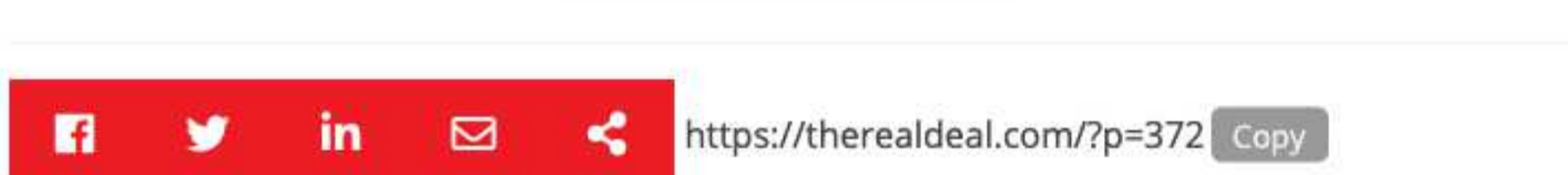
The splintered approach comes months after REBNY engaged in two major legislative battles, with mixed results. In June, sweeping changes to the **rent laws blindsided** the industry at the state level. At the municipal level, REBNY led brokerages and **agents to mobilize** against City Council members’ efforts to overhaul rental transactions. The former was a staggering loss for the industry; the latter is still ongoing.

Warburg Realty’s Frederick Peters — also a REBNY director — said he’s confident in the trade group’s approach, but less sure of lawmakers behind the tax who he said were “placating the AOC constituency.”

“Jim Whelan is both a very smart guy and a very strategic thinker. I think we can make a compelling case,” he said. “Whether or not it actually succeeds in compelling the senate, time will tell.”

With reporting by [Kathryn Brenzel](#)

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