If you own tenant-occupied multifamily property in Schenectady, the talk around “Good Cause” eviction laws has probably been keeping you up at night. With city officials actively debating a municipal opt-in, many landlords and listing agents in the Capital Region are wondering about the best move.

Is it wise to list your property now, before Good Cause passes? How will the new rules affect your rents, tenant relationships, and ultimately your sale price? Having operated as a multifamily listing specialist here for over a decade, I’ll walk you through the realities behind the headlines, with a no-nonsense look at the exemptions, rent caps driven by CPI, and the shifting buyer pool we’re already seeing.

Ready to make sense of the noise? Let’s dive in.

What Exactly is Good Cause Eviction — And What’s This Municipal Opt-In Business?

The term “Good Cause Eviction” (GCE) gets thrown around a lot, but it’s important to understand that as of today, New York State has frameworks allowing municipalities to “opt in” to tenant-protection laws that limit evictions to well-defined reasons (“good cause”) and restrict rent increases.

Essentially, Schenectady’s city council is considering joining this growing list, which already includes places like New York City and Albany. The proposed legislation would limit landlords’ ability to evict tenants without a court-approved "good cause" and cap their rent increases based on the Consumer Price Index (CPI).

This differs from the state-wide rent regulations still tied to the expiration of COVID-era protections; it’s a local law that can clip landlord flexibility in managing tenant-occupied buildings, especially small multifamily rentals that make up much of the Capital Region's **real property law article 6-a** inventory.

Why the Municipal Opt-In Presents a Timing Risk

From a listing perspective, the key risk is timing. Once Schenectady formally opts in:

- Your ability to control rent increases won’t be a matter of setting a competitive market rent, but will be tied to CPI caps — often a 2-4% annual limit.

- "Good cause" eviction requirements could mean longer times to clear tenants who don't comply with lease terms or cause issues, potentially turning into a costly legal mess.
- Because prospective buyers will have to factor these constraints into valuation models, you may see a shift in the buyer pool and pricing multiples.

Given these factors, it stands to reason many owners want to "beat" the legislation — ideally listing and closing before it takes effect.

Understanding the Exemptions — And Why Many Owners Misread Them

One of the biggest misconceptions swirling around Good Cause debate is "I'm exempt, so I don't need to worry."

Sure, the law typically exempts owner-occupied two- and three-family homes, and buildings with fewer than a certain number of units. However, for any landlord with a four+ unit tenant-occupied multifamily portfolio, especially those not claiming owner-occupancy, the exemptions don't apply.

I've seen too many listings with agents bragging about granite counters while glossing over the rent roll — then assuming "we're exempt" because it's only five units. That's the kind of neglect that blows deals up when buyers crunch the numbers and walk away.

Real talk: If you have a tenant-occupied, fully rented fourplex or larger in Schenectady, GCE will apply if the law passes.

Double-Check Exemptions Before You Price

Before you price your property based solely on pre-GCE market comps, sanity-check your assumptions. Reach out to local experts, check resources like the New York State Association of Realtors (NYSAR), or consult attorneys experienced in local landlord-tenant compliance.

At McDonald Real Estate Company, we've maintained a running checklist of "deal killers," and misreading exemption rules tops it every time.

Rent Cap Math — CPI-Based Ceilings and What It Means for Your Income

Let's get practical about the lion in the room: rent caps. Good Cause laws tend to peg allowable rent increases tied to the Consumer Price Index (CPI), which usually translates to 2-4% annual raises depending on inflation at the time.

For listing agents and owners accustomed to annual or more aggressive rent bumps based on the market or unit turnover, this represents a material constraint.

Do the Rent Cap Math — Don't Trust Facebook Without a Calculator

As someone who always sanity-checks rent caps with a calculator before blinking, here's the reality: Those 2-4% caps may sound trivial, but compounding them over 3-5 years creates a sizable gap between your projected income and what's allowed under GCE.

Year Market Rent Growth Assumed (6%) Allowed Rent Growth by CPI (3%) Difference in Rent 1 $1,000 → $1,060 $1,000 → $1,030 $30 3 $1,191 $1,093 $98 5 $1,338 $1,159 $179

This difference may look small per unit but multiply by a building of 10-20 units, and suddenly your projected annual gross income can be off by tens of thousands. Consider that when buyers run discounted cash flow analyses, their offers will reflect these limits.

Buyer Pool Shift — Owner-Occupants and Flippers Are Exiting

Another trend early observers and I have noticed is the changing buyer pool dynamic once Good Cause laws pass.

- **Owner-occupants:** Many buyers looking to live in one unit and rent out the others get discouraged by the added eviction restrictions and rent caps. They prefer markets without the additional headache.
- **Flippers and short-term investors:** Those hoping to renovate and quickly increase rents may exit, fearing prolonged timelines and constrained upside.
- **Long-term investors with multifamily portfolios:** These buyers often have the infrastructure to manage tougher tenant regulations and accept slower income growth. They may become the marginal buyer group.

This buyer pool shift tends to compress prices, especially among middle-market properties where owner-occupants make up a large share.

So What's the Tenant-Occupied Strategy Now?

For owners in Schenectady thinking about timing a sale, my advice is simple:

1. **Start packaging your rent rolls and tenant records NOW.** Buyers will want spotless documentation to feel comfortable. Missing deposits or patchy lease info kill deals.
2. **Price based on realistic income projections.** Factor in CPI-based rent growth caps and eviction timing risks. Running numbers on outdated single-family comps or market soft talk without data is a recipe for disappointment.
3. **Consider "selling while you can" if you suspect Schenectady's council will opt in soon.** Deals done pre-GCE fetch better pricing and attract a wider buyer pool.
4. **Engage experienced multifamily agents who understand local tenant-occupied nuances.** Make sure they're not hand-waving or hyping granite counters without rent rolls.

At McDonald Real Estate Company, we've been tracking every tenant-occupied sale across the Capital Region for years. Our experience with attorney calls gone sideways helps us anticipate where deals are fragile — and we use that to mitigate risk for sellers like you.

Final Thoughts: Don’t Let Fear or Hype Dictate Your Plan

Good Cause eviction laws are complex and will reshape the multifamily landscape throughout upstate New York — starting with places like Schenectady if it opts in. That said, decisions on listing timing should be based on rigorous math and solid market intel, not hearsay or social media hype.

In my experience, owners who prepare their paperwork, price their buildings having done the CPI rent cap math, and list before an opt-in often preserve value. On the flip side, waiting can mean accepting a smaller and more cautious buyer cohort — and a longer time on market.

If you’re considering listing your tenant-occupied multifamily in Schenectady, you owe it to yourself to get clear information from reliable sources, like the New York State Association of Realtors, and seasoned Capital Region specialists who understand the nuances.

Feel free to reach out — I’m always happy to share a sanity-checked rent cap analysis or a “deal killer” red flag checklist to help you navigate this shift with confidence.