On March 5, 2026, the city of Troy, NY, officially passed the Good Cause Eviction law, joining a growing list of municipalities in New York State that have opted into this tenant protection framework. For landlords holding tenant-occupied multifamily properties across the Capital Region, especially those reliant on rental income valuation, this legislative change raises candid questions: **Will my rental value drop? How will the law affect my property's income stream and buyer interest?**

As a listing specialist and agent with over a decade’s experience navigating tenant-occupied sales in upstate New York, I’ve seen firsthand how evictions regulation impacts valuation, deal flow, and investor appetite. Let’s parse the facts, bust some common myths, and run the numbers you need to sanity-check your next investment move in Troy.

Understanding Troy’s Good Cause Eviction Law and Municipal Opt-In Reality

First, what exactly is Good Cause Eviction, and how does it work? Rooted in the 2019 New York State Tenant Protection Act’s framework, the law mandates that landlords must prove "good cause" to evict a tenant after a specific lease term or in a no-fault scenario. Common "good causes" include non-payment of rent, lease violations, or owner move-in intentions where the landlord intends to occupy the unit.

However, Good Cause Eviction is a *municipal opt-in law*. This means city governments must choose to enact it locally. Troy did so in early 2026, aligning with the state’s overall push toward stronger tenant protections but also creating a patchwork across counties. For landlords, that pieslice of geography matters.

Why the opt-in reality is essential:

- **Not statewide yet:** Unlike rent control or stabilization, Good Cause hasn't blanketed every town or city in New York.
- **Local enforcement nuance:** Specific procedural steps for eviction vary by municipality.
- **Investor response varies:** Some markets see faster decline in buyer pool where good cause is in effect.

Landlords often overestimate the ability to simply "evict and re-lease at market" because "owners can always move back in." This leads us to the essential exemptions and misreadings.

Exemptions and Why Owners Misread Them

One widespread misconception among property owners is that Good Cause Eviction laws exempt certain units completely or grant broad rights to owner-occupants that let them circumvent tenant protections easily.

In Troy's law, exemptions do exist but are limited and specific:

1. **Small buildings:** Typically buildings with fewer than four units or owner-occupied two- and three-family homes may be partially exempt.
2. **Owner-occupied units:** Landlords who live in one unit of a multi-family property often have additional grounds for eviction when asserting owner-occupancy needs.
3. **Affordable housing or subsidized units:** These units may follow separate guidelines governed by federal or state housing programs.

But these exemptions do *not* mean easy, unconditional eviction rights or rent increases linked to displacement. For example, owner-occupants still must prove good cause under the law; they cannot claim a move-in pretext eviction without strong documentation and municipal-level approval. Many owners forget that failing to keep proper deposit records or rent rolls significantly weakens their position legally and reduces buyer trust.

Rent Cap Math and CPI-Based Ceilings: Crunching Real Income Valuation

Landlords also fret about rent caps often bundled with Good Cause. In Troy, rent increases for existing tenants are typically tethered to the Consumer Price Index (CPI), preventing landlords from applying unrestricted rent bumps at turnover.

Troy Good Cause Rent Adjustment Caps - Key Metrics Year CPI-U % Change Allowed Rent Increase Ceiling Typical Market Rent Growth 2025 3.2% 3.2% 5-6% 2026 (projected) 2.8% 2.8% 4-5% 2027 (est.) 2.5% 2.5% 4-6%

What this means in plain terms: if inflation rises 3%, your rent caps rise 3%. But market rents in Troy—especially for desirable units—may trend higher due to supply-demand fundamentals. That gap between market growth and legal caps squeezes your income at lease renewal or turnover. Remember, rent cap ceilings don't apply to vacant realtytimes.com units if you can lawfully justify tenant replacement or follow proper protocols, but owners must tread carefully.

One sanity check I always recommend: **use a calculator before believing social media generators posting "rent cap causes immediate 30% income drop."** The reality is far subtler and depends on your tenant mix, lease expiry timing, and local inflation trends.

Income Valuation Shift: What Buyers Are Looking For in Troy Now

A very real consequence of Good Cause enactment is a discernible **income valuation shift** on tenant-occupied buildings. Buyers increasingly factor in:

- Restricted rent growth tied to CPI
- Eviction process complexity, which lengthens vacancy turnover timelines
- Higher legal and administrative risks
- Potential for tenant-friendly lease renewal trends

As a result, a building that previously looked attractive based on current market rents and vacancy assumptions may now demand a more conservative capitalization rate valuation from savvy buyers.

McDonald Real Estate Company recently highlighted this trend in their Capital Region reports, noting that investor demand has *shifted substantially toward buildings with less tenant regulatory risk*. NYSAR's update further underscores the increasing premium placed on transparent rent rolls, deposit records, and legal compliance with new tenant laws.

Buyer Pool Shift: Owner-Occupants and Flippers Exit, Long-Term Investors Pivot

Historically, Troy's market saw significant interest from owner-occupants and "value-add" flippers snapping up small multifamily buildings to renovate and resell quickly. Post-Good Cause, that dynamic is changing:

1. **Owner-occupants** are less likely to pay above market for tenant-occupied listings due to eviction complexity and capped rent growth.
2. **Flippers** encounter longer timelines before they can reposition or rehab due to tenant protections.
3. **Long-term investors** focused on stable cash flow see new opportunities but with a more cautious underwriting approach.

This shift also means a narrower buyer pool, with a stronger preference toward investors experienced in owning regulated housing and with patience for extended lease terms.

What Should Troy Multifamily Landlords Do Next?

Here are practical recommendations for landlords navigating the post-Good Cause landscape:

- **Document everything:** Keep impeccable rent rolls, tenant deposit records, lease terms, and eviction notices.
- **Understand your property's exemption status:** Confirm whether you qualify as a small building or owner-occupant with potential additional eviction grounds.
- **Work with local experts:** Engage attorneys familiar with Troy's procedures and agents who routinely handle tenant-occupied sales.
- **Adjust your income expectations:** Factor CPI rent caps into pro forma valuations and prepare for longer tenant retention durations.
- **Preempt misinformation:** Avoid relying solely on social media posts about rent caps and eviction woes; verify claims with official sources like NYSAR updates and McDonald Real Estate Company market reports.

Conclusion: Will Your Rental Value Drop Because of Troy Good Cause?

The blunt truth is, yes—you may face a shift in income valuation on your tenant-occupied multifamily property following the March 2026 Good Cause adoption in Troy. The rent enforcement ceilings and added eviction hurdles compress upward rent mobility and extend vacancy turnover timeframes, which directly impacts net operating income and market values.

However, this doesn't spell doom or disaster. Properties with well-documented tenant records, compliance adherence, and stable rents will remain attractive to a refining buyer pool favoring predictability over speculative flips. Long-term investors who understand the new rules can still capture value in Troy's rental market.

As always, don't buy into hype. **Run your numbers accurately, know your exemptions, and partner with trusted advisor resources like NYSAR and local specialists at McDonald Real Estate Company.** Staying informed and realistic is your best bet to navigate Troy's Good Cause future.

If you want to chat through your specific building or tenant mix, reach out—I'm here to share straight talk, no spin.