

MARKET UPDATE · JUNE 2026

New York Just Passed a Pied-à-Terre Tax

If you own — or are thinking about buying — a New York City home that isn't your primary residence, this one's worth two minutes of your time.

First, the relief: the steep mansion-tax increase rumored for this spring did **not** pass. Your one-time transfer costs at closing are unchanged.

As part of the 2026–2027 state budget signed in late May, Albany created the state's first **pied-à-terre tax** — a new **annual** surcharge on higher-value NYC homes that are not a primary residence. Unlike the mansion tax (a one-time fee at closing), this is a recurring cost for every year you hold the property. **It takes effect July 1, 2026**, is set to sunset June 30, 2031, and the first bills are due January 1, 2027.

Does it apply to you?

- ✓ **You may be affected** if you own an NYC home as a second/seasonal residence and your primary home is elsewhere.
- ✗ **You're exempt** if the home is your primary residence — or a family member's, or it's rented to a person under a real, year-or-longer lease.
- ✗ Vacant land, unsold sponsor units, and homes without a certificate of occupancy are also excluded.

Note: holding through an LLC or trust does not sidestep it — the law looks through to the people behind the entity.

The numbers (Phase One: 2026–2028)

Rates apply to the city's **assessed market value** (the figure on your Notice of Property Value), not your sale price.

Houses (1–3 family)

Market value	Annual
\$5M – \$15M	0.80%
\$15M – \$25M	1.05%
Above \$25M	1.30%

Co-ops & condos

Market value	Annual
\$1M – \$3M	4.00%
\$3M – \$5M	5.25%
Above \$5M	6.50%

The co-op & condo catch: those higher percentages look alarming because, in Phase One, they're applied to the city's assessed value — only a fraction of what the unit would actually sell for. The \$1M threshold is \$1M of **assessed** value, not sale price, so the real-world reach is wider than the "\$5M" headline suggests. Check your unit's number at propertyinformationportal.nyc.gov.

IF YOU'RE BUYING

Budget for this as a new recurring carrying cost, alongside taxes and common charges. It changes the real math on a second home — let's run your numbers before you offer.

IF YOU'RE SELLING

Part of the second-home buyer pool now faces a new annual cost — pricing and positioning matter more than ever. Primary-residence buyers are unaffected, so reaching the right audience is key.

Want to know exactly how this hits your property or your plans? Let's talk.

This update is provided for general information only and reflects rules as enacted; the NYC Department of Finance is still finalizing guidance. It is not tax or legal advice. For your specific situation, please consult a qualified tax attorney or CPA — I'm glad to connect you with trusted advisors.