As Good Cause Eviction realtytimes (GCE) laws gain momentum across New York's municipalities, landlords, realtors, and investors grapple with unfamiliar terminology and the practical impacts on transactions. One phrase that regularly trips up property owners and agents alike is **"litigated grounds."** Understanding this term is crucial, not just in theory but in the practical realities of tenant-occupied sales, rent caps, and shifting buyer pools.

Here's what kills me: drawing on tools from mcdonald real estate company and insights from the new york state association of realtors (nysar), this post unpacks what litigated grounds means for landlords navigating good cause eviction regulations. We'll clearly outline the court process, proof requirements, time, and cost implications so that agents and small landlords can bring clarity—not hype—to their conversations and listings.

Good Cause Eviction: The Municipal Opt-In Reality

First, a quick primer. Good Cause Eviction laws require landlords to demonstrate a legally sanctioned reason (or "good cause") to evict a tenant, generally prohibiting evictions without cause. New York State does not have a statewide Good Cause Eviction law yet; rather, municipalities opt in to implement their own versions under similar frameworks. This patchwork leads to confusion:

- **Opt-in limits** mean only buildings in participating municipalities must comply.
- Each municipality's law can have **different exemptions, rent caps, and eviction criteria.**
- Despite opt-in, some landlords misunderstand the scope of exemptions, unwittingly exposing their properties and transactions to legal risk.

Using McDonald Real Estate Company's market-level toolkits and cross-referencing with NYSAR's guides is essential to track which municipalities apply GCE, what exemptions exist, and how rent caps work in each locale.

Decoding "Litigated Grounds": What It Means In Practice

The phrase **"litigated grounds"** specifically refers to the eviction process when a landlord pursues court action to terminate a tenancy under Good Cause Eviction laws. Here's how to think about it:

1. **Court Process:** The landlord must initiate a formal eviction proceeding, providing proof of "good cause" as defined in the applicable municipal statute.
2. **Proof Requirements:** Landlords must present evidence for legally permissible reasons to evict, such as non-payment, violation of lease terms, owner move-in, substantial rehabilitation, or other statutory grounds.
3. **Time and Cost:** Litigation adds time delays and legal expenses, ranging from attorney fees to possible rent suspension during proceedings.

In short, "litigated grounds" signifies that eviction is not a unilateral landlord decision but a court-supervised process scrutinizing whether "good cause" exists under the law.

Why "Litigated Grounds" and Not Just Eviction?

Without GCE, eviction usually requires demonstrating non-payment or breach of lease, often with more straightforward legal standards.

Good Cause Eviction laws add layers of protections and procedural hurdles. This means the landlord must not only identify a legal ground but also prove it in court — hence the need for litigation ("litigated grounds").

It's critical to recognize the distinction because many listing agents and landlords underestimate:

- How rigorous courts are about documentation and evidence.
- How eviction timelines extend far beyond traditional non-payment cases.
- How costs can escalate due to legal counsel, court fees, and delayed rent collections.

The Exemptions Puzzle: Why Owners Misread Them

A frequent source of confusion is exemptions. Many property owners assume their buildings are exempt from Good Cause Eviction – for example, because they own a small owner-occupied building or the unit qualifies as a "market-rate" exemption.

However, exemptions are nuanced and often municipal-specific. McDonald Real Estate's resources and NYSAR provide detailed exemption matrices, but here are common pitfalls:

Common Misreading Reality Owner-occupied buildings are fully exempt Some municipalities exempt buildings with owner-occupants, but only if the owner lives in the unit continuously; short term owner absences can negate exemption. Small multifamily buildings (fewer than X units) are exempt by default Thresholds vary; some laws exempt buildings under 6 units, others raise the bar or require different criteria. Units built after a certain date are excluded from rent cap and eviction rules Such exemptions usually apply to rent regulation but may not exempt units from eviction protections under GCE.

Key takeaway: don't rely on Facebook posts or hearsay about exemptions—always sanity-check with local law text and verified checklists. Many landlords find their buildings fall under GCE despite assumptions otherwise, which impacts listing strategy and risk disclosures.

Rent Cap Math & CPI-Based Ceilings: How They Tie to Good Cause Eviction

Good Cause Eviction laws often come paired with rent increase limitations, restricting how much landlords can raise rents essential for affordability preservation. Typically, rent caps are tied to the Consumer Price Index (CPI), limiting increases to inflation or preset percentages annually.

This directly influences landlords' cash flow expectations and property valuations. Common misunderstandings include:

- Assuming rent can always be increased to market rate upon vacancy (not true under many GCE rules).
- Ignoring cumulative effects of rent caps over multiple years leading to compressed net operating income.
- Failing to apply thorough rent roll reviews and overlooking tenant rent histories linked to rent cap math.

For effective market pricing and evaluation, agents must carefully model rent caps using actual CPI data rather than relying on anecdotes like "the market is soft." Using calculators to sanity-check cap limits is a must; one of my pet peeves is listings boasting granite counters but skipping the rent roll and cap math.

Buyer Pool Shift: Owner-Occupants and Flippers Exit the Market

The legal and financial burdens of litigated grounds and rent caps shift not only seller strategies but also buyer behaviour.

In my years working Capital Region tenant-occupied sales, it's clear the pool of buyers changes:

- **Owner-occupants:** Often fewer due to longer holding risks and bankruptcy fears from prolonged eviction litigation; they seek simpler single-family homes or buildings without GCE constraints.
- **Flippers and short-term investors:** Generally exit due to reduced upside from rent caps and longer eviction timelines making quick turnarounds infeasible.
- **Long-term buy-and-hold investors:** Tend to dominate, favouring bricks-and-mortar cash flow with realistic return expectations and disciplined underwriting.

This shift means:

- Properties marketed as "tenant-occupied" with GCE require different buyer targeting and due diligence.
- Discounts versus free-market vacant sales typically increase.
- Agent sales narratives must include clear advice about eviction risks, cap models, and litigation timelines.

Sanity-Checking the Reality: Time and Cost of Eviction Litigation

Understanding what litigated grounds mean boils down to appreciating the cost in time and money. Based on data from McDonald Real Estate Company and verified court timelines:

Eviction Stage Typical Duration Average Cost (Legal & Fees) Initial Notice & Filing 2-4 weeks $500 - $1,000 Hearing and Trial Preparation 4-8 weeks $1,500 - $3,000 Judgment & Appeal (If any) 4-12 weeks (or longer) $1,000 - $2,000+ Physical Eviction (if necessary) Variable, can be weeks Additional enforcement fees

Key points to recall:

- These timelines can double or triple depending on tenant responses, court backlogs, and legal challenges.
- Rent suspension or payment plans may reduce immediate cash flow.
- Poorly documented "grounds" can result in dismissal, forcing landlords to restart the process.

Conclusion: What Agents and Landlords Must Know About Litigated Grounds

“Litigated grounds” in Good Cause Eviction situations mean landlords face a rigorous court process requiring strong proof and patience. Owners misreading exemptions or rent caps risk financial surprises and deal blowups. The eviction strength and rent control elements reshape market dynamics, narrowing buyer pools and increasing deal complexity.

For agents and landlords serious about tenant-occupied listings under Good Cause Eviction, the essential tools are:

- Constant sanity-checking of rent caps against actual CPI data
- Demanding complete rent rolls and deposit records to avoid deal killers
- Clear, factual communication on time-to-eviction expectations and costs
- Leveraging resources like McDonald Real Estate Company and NYSAR’s Good Cause Eviction Resources for up-to-date legal and market guidance

Ignoring or glossing over “litigated grounds” leads to surprises that kill deals. With a grounded, realistic approach, agents and landlords can navigate Good Cause Eviction’s new landscape with less risk and more confidence.