

The Economist

September 16, 2026

<https://www.economist.com/united-states/2026/09/15/developers-are-learning-to-love-zohran-mamdani>

Developers are learning to love Zohran Mamdani

New York's socialist mayor wants a housing boom

BACK IN FEBRUARY, Zohran Mamdani went to Washington. The Democratic Socialist and new mayor of New York City was lobbying Donald Trump for \$21bn of federal funding. The money was not for universal child care or another lefty passion, but for Sunnyside Yard, a colossal housing development in Queens. The project had been delayed for years—back in 2019 Alexandria Ocasio Cortez, a New York congresswoman and another member of the Democratic Socialists of America (DSA), opposed the proposal, saying such building “displaces communities of colour and parcels off public land to private real estate developers.” But now Mr Mamdani was on board. A photo showed him and Mr Trump smiling in the Oval Office, with the president brandishing a mocked-up newspaper, reading “TRUMP TO CITY: LET’S BUILD”.

Mr Trump has yet to follow through with money for Sunnyside Yard. However Mr Mamdani’s housing agenda continues to become more ambitious. Democratic congressional candidates speak incessantly about “affordability” on the campaign trail, but actually making America more affordable is a harder task; leftist populists, in particular, must decide if they will remain purists or tack to the centre. In New York, however, the DSA’s most prominent mayor is already providing an answer. For the “affordability” agenda’s most vexing problem, Mr Mamdani has a simple formula: squeeze landlords and woo developers.

In May Mr Mamdani released a plan to build 200,000 affordable flats in a decade, including by loosening regulations and offering incentives to for-profit developers to renovate public housing.

It’s “really ambitious, really aggressive.”

--Molly Wasow Park, President & CEO, NYC Housing Partnership

New York City has long been expensive, but the situation for housing is growing dire. The vacancy rate for rented flats in 2024, the most recent year of official data, is just 1.4%, meaning that in a city of 2.4m rental apartments, only 34,000 are available, a level not seen since the late 1960s. More recent data from the Corcoran Group, an estate agent, suggests things have not much improved. In July Manhattan’s vacancy rate was 1.6%. This shortage manages both to drive up rents and push people out: after rebounding from the pandemic, the city is once again losing population.

Outrage over New York's cost-of-living propelled Mr Mamdani's rapid rise. In his mayoral campaign last year, he promised to freeze rents on the 1m flats regulated by the city. As a state assemblyman in 2022, he had bemoaned that a proposed development would "accelerate... displacement". Developers shuddered at the thought of a Mayor Mamdani. During last year's election, one email circulated between homebuilders warned that "the financial capital of the world risks being handed over to a socialist... We cannot—and will not—let that happen."

But two weeks before the mayoral primary, Mr Mamdani told the *New York Times* that he had changed his mind on developers. He said the private market in housing construction had "a very important role to be played, and one that the city government must facilitate". The "deal", observes Alex Armlovich of the Niskanen Centre, a think-tank, is to "do socialism on old housing in exchange for markets for new housing."

As mayor, Mr Mamdani is following through. He has maintained his hostility to landlords. In June, a city board committed to the 0% increase for rent-controlled flats, to start in October. This will squeeze landlords, even those with little to give. About 10% of these buildings already have higher costs than rental income can cover. City Hall is also needling landlords in other ways: going door-to-door to urge tenants to organise and holding "rental ripoff" hearings where renters may field their complaints.

Meanwhile Mr Mamdani has set about encouraging development of all kinds, including luxury flats. On his first day in office, he created task forces charged with identifying delays to building affordable housing and finding city-owned sites that could be used for homes. Mr Mamdani, never one to shun a photo-op, announced the resulting report at a running track to symbolise the hurdles City Hall would knock down (pictured). The city's new budget includes staff to implement the hundreds of recommendations "Our mission is to be leveraging every opportunity we can to build more" says Leila Bozorg, the deputy mayor in charge of housing.

In May Mr Mamdani released a plan to build 200,000 affordable flats in a decade, including by loosening regulations and offering incentives to for-profit developers to renovate public housing. It's "really ambitious, really aggressive," says Molly Wasow Park of the NYC Housing Partnership, a non-profit that connects affordable builders and government.

Once sceptical developers are now delighted, too. "We have a very friendly City Hall when it comes to building housing, which is phenomenal," says Carlo Scissura, president of the New York Building Congress, a lobby group. "The mayor is in a good place on this," echoes Steven Fulop, the president of the Partnership for New York, an influential business organisation.

It helps that Mr Mamdani's work is complemented by other measures on the state and local level, from state reforms of environmental regulations to ballot measures to speed up building. Although numbers fluctuate, in the first quarter of 2026, the number of proposed units surged to almost 17,000, 250% higher than the average since 2008

Ms Bozorg says that City Hall has further plans, for instance to encourage development near subways. But there are obstacles to realising the mayor's most ambitious ideas. Building all of Mr Mamdani's 200,000 new affordable flats would probably require some public support, either from Washington, New York state or by issuing local bonds. And there remains tension between the city's treatment of landlords and builders. The city seems to be saying "we would love for you to build, but once you build..." Basha Gerhards of the Real Estate Board of New York, a trade association, trails off. "Well, people have added various adjectives," she adds, diplomatically. Ms Bozorg sees policies for landlords and developers as complementary. Building is "a long-term goal", she argues. "In the meantime, we have a housing shortage, which means there is an imbalance of power between tenants and landlords."