

• **Oppose tenant right to purchase (“right of first refusal”)**

We write in OPPOSITION to **SB890** and **HB1426**, which would give all Massachusetts cities and towns the option to adopt a “**tenant right to purchase**,” also called “**tenant right of first refusal**.” This right gives a tenant or group of tenants the ability to purchase the property they live in **before** the owner can sell it to a willing private buyer who the owner has found, a buyer who has signed a Purchase & Sale (P&S) agreement and made a deposit. The tenants must match the price of the willing buyer.

These bills have five general problems:

Not used as intended Very few tenants or tenant groups will want to buy the property they happen to live in and have the financial resources to do so. The value to tenants of a right to purchase ahead of other buyers is only if they can significantly reduce the sales price – or for the payoffs they can get to allow the owner to sell quickly.

Delays, delays These bills would impose **significant delays** in a property’s sale – from a minimum of 6 months **up to multiples** of 6 months for (a) each time that the selling price is lowered and (b) each time that the city or a nonprofit gets the right to buy the property after each time the tenants turn it down. Yes, nonprofit groups also get a right to purchase the property after the tenants turn it down and before any private buyer. These delays do not count the repeated efforts of the owner to find a willing new buyer after a former buyer backs out. These delays mount up significantly, impede the owner’s ability to cash out the property for family needs, and reduce the sales prices of all properties affected by a tenant right to purchase.

Lower the price Since tenants are in physical control of the property they may want to purchase, they can **deliberately lower the selling price** (a) by causing damage to their units or common areas or (b) by several or all tenants doing a RENT STRIKE and claiming rent-withholding for code violations (the “free rent trick”). Such a rent strike creates a massive, costly legal obstacle – evicting all the nonpaying tenants – for any new owner (except the tenants) and forces a sharply lower sale price for the tenants – at comparable loss to the owner.

Payoffs Despite a provision that tenants cannot solicit or accept any payoffs to sign away their right to purchase, **such payoffs will happen** under the table, in untraceable cash payments or other ways to hide the payoffs, at considerable cost to the seller. Such payoffs reduce the net proceeds from the owner’s sale.

Reduced property values and municipal tax revenues All of the above problems will **significantly reduce the property values** of all affected rental properties in a city or town, resulting in (a) **higher property tax bills** for all other property owners and (b) **shifting state aid away** from municipalities that do not take the option to adopt the “tenant right to purchase.”

Interfering in this way in the market of buying and selling rental housing is dangerous. We urge that any tenant right to purchase be rejected by the Legislature.

Skip Schloming & Lenore Monello Schloming

Bios: Ph.D.-level sociologists, Brandeis (both of us, 1966-1974), small landlords (55 yrs: 1967-present), executive director & president (respectively), Small Property Owners Assn (23 yrs: 1996-2021). Also: book editor, Harvard (3 yrs), college teaching (5 years), homesteading in rural Maine (10 yrs), operating a small private elementary school (8 yrs), licensed construction supervisor (15 yrs).

We continue our advocacy for small landlords through The Small Landlord Letter and other ways in progress.

To subscribe to this Letter, send your email address to schlomings@gmail.com.

Landlords with tenant problems may still contact Skip for advice: **617-354-2358**.

If you learn that any form of rent control or other landlord-tenant issue has been presented to a local city or town governing body, please let us know. We may be able to help you fight it.

Contact your legislators

In your own words, tell them why you support or oppose the legislation discussed here. Include the bill number(s).

To find your own state senator and representative, go to:

www.sec.state.ma.us/wheredoivotema

Also email the chairs of the relevant Committee, who will send your comments to all the Committee members:

John.Keenan@masenate.gov and **James.Arciero@mahouse.gov**

Also email the Governor:

www.mass.gov/forms/email-the-governors-office

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