

ATTENTION: All Boston residential owners

- SINGLE-FAMILY owners • CONDO owners • MULTI-FAMILY owners •

Mayor Wu proposes “rent stabilization” for Boston

• It’s RENT CONTROL •

It only hurts landlords? Wrong! Everyone pays for rent control!

Call it “stabilization,” call it rent control, it will **devalue** a major sector of rental housing in Boston and **push property tax bills UP** for everyone else.

The Mayor’s people only talk about her proposal’s generous annual rent increases, capped at 6% plus CPI, to a max of 10%. But tenant activists got two dangerous provisions added, which allow these “permissible rent increases” TO BE CHANGED!!! To whatever the authorized Rent Board considers “fair” rent increases.

The **LOWER** those “permissible rent increases” go, the **HIGHER** will go the property tax bills for all **NON-controlled** owners.

It’s all about **POWER**. Politicians always listen to rent-controlled tenants, who vote in droves to protect and expand their “entitlements” to **OTHER PEOPLE’S** property.

WHAT YOU CAN DO:

- Read this Letter to learn more about the Mayor’s proposal and its dangerous impacts.
- The Mayor’s proposal has gone to the Boston City Council for debate and a vote. If the vote is “Yes,” it goes to the State Legislature for debate and a vote.
- TELL Mayor Wu, TELL your City Councilors, TELL all your State Lawmakers:
YOU ABSOLUTELY DO NOT WANT RENT CONTROL! YOU WILL VOTE ACCORDINGLY!
- See CONTACT INFO for everyone on page 4.
- **CONDO OWNERS** are in **GRAVE DANGER**. See p. 3, how vicious rent control can be with **condos**. Are you a condo trustee or member of a condo or homeowners association? Ask them to oppose it and to tell elected officials to vote it down. CONTACT INFO on p. 4

We can DEFEAT rent control – if we ALL *take action!* See Page 4

► **OUR STRATEGY** By word of mouth, by circulating this Letter widely, by telling our lawmakers: **NO** to rent control! Please, **if you receive this Letter, copy it and pass it along** to all your neighbors and friends, and **talk to them** about it. Get them and yourself to call or email your City Councilors. If it passes in Boston, then contact your State Senators and Representatives. Be prepared to fight a statewide ballot question in 2024. ALL CONTACT INFO on Page 4

Get a **pdf** of this Letter on our website, to email to others: www.SmallLandlord.com

Permission is hereby granted to copy & reproduce this Letter & distribute it freely by any means to all neighbors, friends & family. Our success depends on **everyone spreading the word!** Get pdf version to email at: www.SmallLandlord.com

Facts about rent control & Mayor's "rent stabilization" proposal

It's all about political power, not affordable housing Below-market rents drive tenants to the polls to elect – and RE-elect – pro-rent-control politicians. In turn, politicians vote to put more properties under rent control, including **rented condos** and **rented single families**. And, under pressure from tenant activists, they vote for **policies that push rents lower and lower** – all to grow the tenant voter base and **stay in power**. Just get the camel's nose in the tent, and the power of the tenant voting bloc will do the rest!

Every lowering of rents DEVALUES all the controlled properties – and pushes PROPERTY TAXES UP even further on everyone else – otherwise, the city could not maintain city services

Generous annual rent increases? But fine print says city can CHANGE them!

What are they hiding? All the Mayor's people talk only about the generous 6% + CPI annual rent increases (up to a max of 10%). They carefully do **NOT** mention the fine print in **Section 2 (e)**, which says: "The City may provide for **fair return** standards for the **regulation of rent**, which may include...**changes to permissible rental rates...**" Whoa! Those generous 6% + CPI **are** the "permissible rental rates." The fine print says **THEY CAN BE CHANGED!!** People who don't tell the truth about what they sell are called con artists. Read the "rent stabilization" proposal on our website: www.SmallLandlord.com

"Fair return standards...for regulation of rent"? These never-discussed words, also in the proposal, refer to how much profit (net income or "return") can be allowed on top of all a landlord's expenses: 2%, 1%, 0.5% profit? The authorized **rent board** (that's in the proposal, too) gets to decide "fair." And watch out! Tenants can challenge expenses and get them removed. That new kitchen? Too fancy, not code-minimum, throw it out. That porch repair? "Sloppy workmanship," throw it out. The tenants' word is believed. Such challenges happened all the time during rent control in Cambridge, the gold standard for tenant activists. Every expense thrown out lowers the allowed 2% or 1% return on the remaining expenses. Mortgages will NOT count as expenses, that's history, too.

Every reduction in rental income devalues properties and pushes property taxes UP.

Existing housing supply shrinks, no new construction With low rents and expenses for bigger repairs never reimbursed in higher rents, landlords stop doing repairs. The housing steadily deteriorates and loses value, some so badly it cannot be rented. Some landlords refuse to rent. All this reduces tax revenue. Wu's proposal exempts new construction for only 15 years. Developers and banks **will NOT construct or lend** knowing their assets will be devalued in 15 years. Result: No new construction to build up the property tax base or ease the tight housing supply. Rent control makes itself the only option.

\$1.8 billion in DEvaluation An MIT study found that Cambridge gained **\$1.8 billion** in assessed property values over the decade after 25 years of rent control, **attributed** to formerly rent-controlled properties as well as properties devalued by being adjacent to all the "rent control wrecks." When a sector of properties is devalued, the property tax burden shifts **automatically** to all non-devalued properties.

(Source: <https://seii.mit.edu/research/study/what-were-the-effects-of-ending-rent-control-in-cambridge-ma>)

Increased crime Another MIT study found **more crime** in Cambridge neighborhoods with more rent-controlled properties.

(Source: <https://mit.edu/~cjpalmers/www/APP-crime.pdf>)

Rent control gentrifies! Proponents claim otherwise, but they are wrong. When rents are low, owners choose tenants who will reliably pay their low rents. **The well-off and the privileged search for and get the cheap units; the poor, minorities, and immigrants get pushed out.** When rent control was outlawed in 1994, households of low- and moderate-income, elderly, or disabled occupants got up to two more years of controlled rents. In the three cities with rent control (Boston, Cambridge, Brookline), **only 6% of all rent-controlled tenants qualified for it!** Studies showed that rent-controlled tenants were largely single occupants, white, middle-class, and well-educated. This is what so-called "progressives" want? They are **regressives**, going back to a known failed policy.

Massachusetts has rejected rent control 5 times In 1994, Massachusetts voters ended rent control by popular vote. Efforts to bring it back began in Boston, three years in a row in the late 1990s. All three were **defeated** by the Boston Council. In Cambridge, a 2003 citywide referendum to restore rent control was **soundly defeated**. Small property owners had educated the public on rent control's terrible impacts, as we are doing once again now.

Economists give all-but-unanimous assent to the proposition that “a ceiling on rents reduces the quantity and quality of housing available.” From *Principles of Economics*, by Harvard professor N. Gregory Mankiw

Rent control's impacts on each residential owner group

- **Single-family owners – higher property taxes, can't rent your home**

You get **much higher property tax bills** to compensate for lost tax revenue from the many deteriorating, rent-restricted properties devalued by rent control. The property tax burden shifts automatically, just to keep city funding going. **But warning!** If you want to move and **keep** your single-family home as a rental investment (a popular new rental option), your home, being **non-owner-occupied**, could be rent-controlled and severely devalued! See below on what happened to condos in Cambridge.

Want to keep and RENT your single-family, condo, or two- and three-family when you move out? ANY NON-owner-occupied property could or will become rent-controlled. Tenant unions always demand more.

- **Condo owners – could be required to rent, at controlled rents!**

Higher property taxes for condo owners, too – **unless you rent your condo**. Then, it could be rent-controlled! Under the old rent control in Cambridge, the city council passed an ordinance that required **all future condo sales** to be **tenant-occupied ONLY** and **permanently rent-controlled!** – yes, believe it or not, a huge loss of value and choice to all condo owners. The Cambridge city council, always 8-to-1 pro-rent-control through rent control's 25 years, did it to grow the tenant voter base.

- **Two- up to six-unit properties, if owner-occupied – higher taxes & more**

IF owner-occupied as your primary residence, you are likely exempt from rent control. But you, too, would receive higher property tax bills. **MUCH WORSE:** If you want to move and keep your multifamily property as an investment – a very attractive option for many owners – it would be **non-owner-occupied** and **rent-controlled!** An important path to higher income would be taken from you.

- **All non-owner-occupied multifamily owners – the nightmare of rent control**

All of you owners are rent-controlled. Your rents keep getting lower and lower compared to market value. Your tenants fight viciously against all rent increases. After all, taxpayers are not paying for tenants' lower rents; it is you and other landlords. All friendly landlord-tenant relationships become vicious conflicts. Gradually, your property turns into a “rent control wreck,” and the easiest path is to sell at a loss (to a corporate developer) and forget you ever owned rental property.

HOW WE WILL WIN *Everyone* – no exceptions! – who receives this Letter needs to **forward it by email or copy it and give it to all your neighbors & friends** – and talk to them! *Everyone* must call, email, or write your lawmakers. **PDF** version available on website: www.SmallLandlord.com. **NOTE:** If the Boston Council approves it, the battle then moves to the State House, where many are reluctant about rent control. **Flood your lawmakers with your strong opposition!!! Contact info on p.4 If tenant activists fail in Boston and at State House, be prepared to fight a rent control ballot question in 1994.**

TO STAY INFORMED *Small Landlord Letter* is published regularly by email. **Free subscription**, regardless of whether you own rental property. We will give you up-to-date information on the status of Mayor Wu's rent control proposal and other housing policies that impact people & neighborhoods everywhere. Send us an email with “**subscribe**” in the subject to: schlomings@gmail.com. Visit our website for a **pdf** version to email to others: www.SmallLandlord.com.

Small Landlord Letter

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ATTENTION: All Boston residential owners

DANGER to ALL!

Boston mayor proposes “rent stabilization,” a mild form of rent control. It will DEVALUE many rental properties – and push property tax bills UP for everyone else. It won’t stay mild!

Rent your condo? Rent your single-family? It could become rent-controlled! Tenant activists want to control more properties & push rents lower & lower. Read this Letter on rent control’s impacts on YOU and how you can STOP IT!

HOW WE WILL WIN *Everyone* – no exceptions! – needs to **copy and give** this Letter to all your neighbors & friends – and talk to them! *Everyone* must call or email their lawmakers. PDF version available on website: www.SmallLandlord.com.

NOTE: If the Boston Council approves it, the battle then moves to the State House, where many are reluctant on rent control.

Contact Info: Tell your lawmakers you OPPOSE rent control! State why!

► **TO FIND who your Boston District Councilor is:** www.boston.gov/my-neighborhood

Boston City Councilors: CALL and EMAIL ALL FOUR At-Large Councilors and your own District Councilor

| | | | | |
|--------------------------|-----------------|--------------|-------------------------------|--------------------------------|
| Ed Flynn, President | District 2 | 617-635-3203 | ed.flynn@boston.gov | |
| Michael Flaherty | At-Large | 617-635-4205 | michael.f.flaherty@boston.gov | Mayor Michelle Wu |
| Ruthzee Louijeune | At-Large | 617-635-4376 | ruthzee.louijeune@boston.gov | mayor@boston.gov |
| Julia Mejia | At-Large | 617-635-4217 | julia.mejia@Boston.gov | 617-635-4500 |
| Erin Murphy | At-Large | 617-635-3115 | erin.murphy@boston.gov | |
| Gabriela Coletta | District 1 | 617-635-3200 | gabriela.coletta@boston.gov | |
| Frank Baker | District 3 | 617-635-3455 | frank.baker@boston.gov | |
| Brian Worrell | District 4 | 617-635-3131 | brian.worrell@boston.gov | |
| Ricardo Arroyo | District 5 | 617-635-4210 | ricardo.arroyo@boston.gov | |
| Kendra Lara | District 6 | 617-635-4220 | kendra.lara@boston.gov | |
| Tania Fernandes Anderson | District 7 | 617-635-3510 | tania.anderson@boston.gov | |
| Kenzie Bok | District 8 | 617-635-4225 | kenzie.bok@boston.gov | State House |
| Liz Breadon | District 9 | 617-635-3113 | liz.breadon@boston.gov | Room ##### Boston, MA 02133 |

Address for Senators & Reps (below):

Senator [full name] OR
Representative [full name]
State House
Room #####
Boston, MA 02133

► **TO FIND who your MA Senators and Representatives are:** malegislature.gov/search/findmylegislator

State Senators for Boston

| | | | | | |
|-------------------------|----------------|----------|--------------|-----------------------------------|---|
| Lydia Edwards | First Suffolk | Rm 520 | 617-722-1634 | Lydia.Edwards@masenate.gov | ► Contact the chairs of Joint Committee on Housing |
| William N. Brownsberger | Second Suffolk | Rm 319 | 617-722-1280 | William.Brownsberger@masenate.gov | |
| Sonia Chang-Diaz | Second Suffolk | Rm 111 | 617-722-1673 | Sonia.Chang-Diaz@masenate.gov | Lydia.Edwards@masenate.gov 617-722-1634 |
| Nick Collins | First Suffolk | Rm 312-D | 617-722-1150 | Nick.Collins@masenate.gov | |
| Sal N. DiDomenico | Suffolk | Rm 405 | 617-722-1650 | Sal.DiDomenico@masenate.gov | James.Arciero@mahouse.gov 617-722-2575 |
| Michael F. Rush | Suffolk | Rm 208 | 617-722-1348 | Mike.Rush@masenate.gov | |

State Representatives for Boston

| | | | | | |
|----------------------|--------------|---------|--------------|---------------------------------|--|
| Adrian Madaro | 1st Suffolk | Rm 33 | 617-722-2060 | Adrian.Madaro@mahouse.gov | ► Contact the chairs of Joint Committee on Judiciary |
| Dan Ryan | 2nd Suffolk | Rm 445 | 617-722-2460 | Dan.Ryan@mahouse.gov | |
| Aaron M. Michlewitz | 3rd Suffolk | Rm 243 | 617-722-2990 | Aaron.M.Michlewitz@mahouse.gov | James.Eldridge@masenate.gov 617-722-1120 |
| David Biele | 4th Suffolk | Rm 446 | 617-722-2460 | David.Biele@mahouse.gov | |
| Liz Miranda | 5th Suffolk | Rm 146 | 617-722-2011 | liz.miranda@mahouse.gov | Michael.Day@mahouse.gov |
| Russell E. Holmes | 6th Suffolk | Rm 254 | 617-722-2220 | Russell.Holmes@mahouse.gov | |
| Chynah Tyler | 7th Suffolk | Rm 136 | 617-722-2396 | Chynah.Tyler@mahouse.gov | |
| Jay Livingstone | 8th Suffolk | Rm 146 | 617-722-2575 | Jay.Livingstone@mahouse.gov | |
| Jon Santiago | 9th Suffolk | Rm 155 | 617-722-2450 | jon.santiago@mahouse.gov | |
| Edward F. Coppinger | 10th Suffolk | Rm 26 | 617-722-2080 | Edward.Coppinger@mahouse.gov | ► Contact the chairs of Joint Committee on Ways and Means |
| Elizabeth A. Malia | 11th Suffolk | Rm 167 | 617-722-2230 | Liz.Malia@mahouse.gov | |
| Brandy Fluker Oakley | 12th Suffolk | Rm 134 | 617-722-2400 | Brandy.FlukerOakley@mahouse.gov | Michael.Rodrigues@masenate.gov 617-722-1114 |
| Daniel Hunt | 13th Suffolk | Rm 238 | 617-722-2380 | Daniel.Hunt@mahouse.gov | |
| Rob Consalvo | 14th Suffolk | Rm 21 | 617-722-2140 | Rob.Consalvo@mahouse.gov | Aaron.M.Michlewitz@mahouse.gov 617-722-2990 |
| Nika Elugardo | 15th Suffolk | Rm 473B | 617-722-2263 | nika.elugardo@mahouse.gov | |
| Kevin G. Honan | 17th Suffolk | Rm 38 | 617-722-2470 | Kevin.Honan@mahouse.gov | |
| Michael J. Moran | 18th Suffolk | Rm 39 | 617-722-2014 | Michael.Moran@mahouse.gov | |