

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

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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	► Contact the chairs of Joint Committee on Ways and Means
Edward F. Copping	10th Suffolk	Rm 26	617-722-2080	Edward.Copping@mahouse.gov	
Elizabeth A. Malia	11th Suffolk	Rm 167	617-722-2230	Liz.Malia@mahouse.gov	Michael.Rodrigues@masenate.gov 617-722-1114
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Michael J. Moran	18th Suffolk	Rm 39	617-722-2014	Michael.Moran@mahouse.gov	