



# Seattle Needs Rent Control Now!

## Frequently Asked Questions

Office of Councilmember Kshama Sawant | Updated June 28, 2023

*Councilmember Kshama Sawant's office has brought forward [rent control legislation](#) for the city of Seattle, to be voted on by the Seattle City Council this summer.*

### Why do Seattle's renters need rent control?

Seattle's housing affordability and cost of living crisis is the worst it's been in decades, and it's only getting worse. Over the last three years, overall costs in the Seattle metropolitan area [climbed](#) over 20 percent, more than cities like New York, Los Angeles, and San Francisco. Wages in Seattle, meanwhile, have far from kept up, growing just 16 percent after a precipitous drop at the start of the pandemic.

Even before this record inflation was unleashed, Seattle metro area rents increased by nearly [92 percent](#) between 2010 and 2020. This means Seattle-area rents in that decade increased more than in comparable regions such as the California Bay Area. Using the conventional measure of defining a household as rent-burdened when they are forced to pay over 30 percent of their income in housing costs, [82 percent](#) of low-income renters in the Seattle metro area are rent-burdened.

Nationally, [39 percent](#) of Americans (and 44 percent of millennials) say they are forced to skip meals to afford housing payments. And a [2020 national study](#) from the U.S. Government Accountability Office showed that a \$100 increase in median rent is associated with a 9 percent increase in the estimated homelessness rate. From 2019 to 2020, Seattle saw a [5 percent increase](#) in people experiencing homelessness.

### Why do rents keep increasing dramatically?

In the absence of any real publicly-owned social housing, which would be automatically rent-controlled and affordable, most renters under capitalism are forced to rely on the for-profit market. For-profit landlords regularly claim that they need to increase rents in order to make their mortgage and tax payments, and for maintenance or improvements in their properties.

The reality is deeply troubling—for the most part, for-profit landlords and property management companies raise rents because they can, given the balance of power they have against working-class and low-income renters.

Not surprisingly, a [survey](#) of landlords and tenants from last year shows that the likelihood a landlord will raise rent goes up with the number of properties they own. **Only 52 percent of the landlords who own one property said they will increase rent, compared with 92 percent of those who own more than 10 units.** The survey also shows that many “mom-and-pop” small landlords plan to raise rents less than what they believe to be the market rate.

Corporate landlords have raked in astronomical profits from rent increases. A [report by Accountable.US](#) found that the six largest property management companies in the U.S. made \$4.3 billion in profits in 2022, which is over \$1.3 billion more than in 2021. At least three of the six—Invitation Homes, AvalonBay, and AMH—own multiple properties in Seattle. The report found the corporate landlords made these enormous profits by “imposing double-digit rent increases, charging excessive fees, and engaging in abusive tactics to evict tenants.” Most of the big property management companies are owned by major companies, banks, and other large corporate entities—and the individuals who rake in the profits through the holdings are multimillionaires and billionaires.

Part of that enormous financial windfall for corporate landlords in 2022 was driven not by rent increases, but by landlords piling egregious fees on top of rent, such as late fees. In Seattle, many tenants have even reported junk fees added on top of late fees, like “delivery fees” that are additional costs tenants are forced to pay for the “privilege” of receiving a bill from their landlord.

In April, Seattle renters, union members, and socialists, alongside our office, won a \$10 per month limit on the late fees landlords can charge for overdue rent, and a ban on any junk fees tacked onto late fees. This was a [massive victory](#) for Seattle’s 360,000 renters, some of whom reported being charged hundreds of dollars in late fees for paying rent even one day late. We won that law despite the opposition of corporate landlords and attempts by even self-described “labor Democrats” to serve corporate greed.

As if the normal situation under capitalism was not bad enough for renters, many large property companies have been found to have [conspired](#) to drive up rents using rent-setting software from a corporation called RealPage, which aggressively and relentlessly targets tenants for the highest possible rent increases. As openly [admitted](#) by Realpage, the software algorithm’s computer generated pricing makes far greater profits for corporate landlords, unlike human leasing employees, who have “too much empathy” for tenants. In Seattle’s Queen Anne neighborhood, 70 percent of apartments are overseen by just 10 property companies, “every single one of which used pricing software sold by RealPage.”

Even in the not-for-profit sector, which accounts for a tiny fraction of rental housing, rents are going up sharply relative to the incomes of the struggling tenants who qualify for the housing. In one of many examples, in the autumn of 2021, tenants at the Rainier Court Apartments in Seattle’s Mount Baker neighborhood—where over 550 working-class and low-income families reside—faced [exploitative rent increases](#) at the hands of SEED (the nonprofit landlord). The tenants, getting organized with our office, the Tenants Union, and Be:Seattle, [defeated](#) the rent increase.

## **Do landlords who significantly increase rents ensure regular maintenance and upkeep, and respond to tenant complaints in a timely manner?**

Far from well-maintained rental homes, an overwhelming amount of anecdotal evidence reveals that large numbers of tenants of corporate landlords and slumlords face dilapidated conditions, which often persist despite numerous complaints. In several cases, the tenant may even be too intimidated to complain.

Invitation Homes corporation, for example, has engaged in "fee-stacking" — piling up late fees, extra charges for "smart locks" and pets, and using online systems to pay rent—against its tenants, while [forcing them to face](#) "leaky pipes, vermin, toxic mold, nonfunctioning appliances and months-long waits for repairs."

In 2021, tenants at the Terrace Crest Apartments in Seattle's First Hill neighborhood went for two months during the winter without hot water or heat after the boiler in their building broke and the landlord, Breier-Scheetz Properties, refused to fix it. The landlord ignored tenants' requests that the boiler be fixed until our office started [organizing](#) alongside tenants to demand the hot water and heat be fixed immediately, and that tenants be refunded rent for each day the boiler was broken.

In 2015, East African tenants of Seattle landlord Carl Haglund fought alongside our office when Haglund brazenly attempted to double their rents while ignoring the longstanding mold and roach infestation, broken heaters, and other serious conditions in the apartments. The tenant struggle not only delivered Haglund a major defeat, it helped build momentum for our office and the city's working people to win the [Carl Haglund law](#), which prohibits landlords with outstanding housing code violations from raising rents.

Even at the nonprofit Rainier Court apartments, SEED executives blatantly continue to ignore horrendous living conditions—such as infestation, major leaks and flooding, and broken heating and appliances—in the buildings to this day. Not one Seattle-based elected official other than my office has stood with the tenants, tacitly allowing SEED to get away with this.

## **How would our proposed rent control law work?**

Our rent control law would make it illegal for landlords to raise the rent by more than the rate of inflation. Rents could be reduced, or kept the same, but if they are increased, the increase can be no more than the rate of inflation. As wages and costs go up over time, so will rents, but no faster.

## **Isn't rent control illegal in Washington State?**

Yes, there is a deeply unjust statewide ban on rent control (RCW 35.21.830), which powerfully benefits the greed of property management corporations and big banks. Democrats and Republicans have had a bipartisan agreement in maintaining this 1981 law, which prohibits any municipality in Washington State from passing any law regulating rent. To address this, **our rent control legislation is essentially**

**a ‘trigger law.’ If passed by the City Council, it will become effective the moment the state law banning rent control is overturned.**

The Democratic Party has held the Governor’s mansion for 30 out of the last 30 years, the Senate for 20 years, and the House for 23 years. Yet, in spite of the stunning housing crisis in Washington and growing national debate on rent control, they continue to refuse to even give any sort of rent control policy a vote, or even discuss lifting the ban on rent control. This year, the Democrats—who again have a majority—refused to allow two bills to remove the ban to even be voted on.

There is nothing blocking the State Democrats and Republicans from lifting the ban today, except their close ties and loyalty to real estate interests, big banks, and the rich. Building a fighting movement to win the rent control trigger law in Seattle can help energize a statewide movement that can put immense pressure on Olympia to finally repeal the ban. State legislators will no longer be able to ignore this issue. Winning an ordinance in Seattle will also clarify what our movement means by “rent control.” But to win we will need to build a serious, fighting movement.

Real estate interests have always viciously opposed even smaller renters’ rights law, let alone rent control. We know from the outset that this will be a big fight!

## **Is such a trigger law legal?**

Yes, this rent control trigger law is completely legal. Our legislation has been thoroughly reviewed by the City Attorney’s office.

## **Some say they support rent control, but worry if working people win this rent control trigger law in Seattle, it will make Washington State politicians even more determined to uphold the ban.**

The reality is the exact opposite! After four decades of betrayal by State Democrats and Republicans, renters and working people simply cannot spend more time hoping they will act on our behalf. Instead, history shows that when working people get organized and fight back, it forces the ruling class and their political representatives to concede. When our grassroots [15 Now movement](#) was fighting in 2014 for Seattle to become the first major city with the \$15/hour minimum wage, many cautioned that we should just wait for statewide changes. But instead, after Seattle’s working people forced big business and Democrats on the City Council to concede here, it built the momentum for the labor movement to win historic minimum wage increases statewide. Similarly, our worker- and socialist-led Tax Amazon movement won a historic Amazon Tax on corporations to fund affordable housing, which forced the statewide Democratic establishment to pass the capital gains tax. Seattle’s renters and our office have also led on renters’ rights victories that have subsequently been won at the state level.

## **Are there any existing limitations on how much landlords can increase rents in Seattle?**

A law won by our office in 2021, alongside a fighting campaign of renters, union members, and socialists, requires landlords to pay economic eviction assistance (equivalent to 3 months’ rent) if they raise rents more than 10 percent. Winning this law required working people across Seattle coming together to put pressure on City Council Democrats to vote Yes, by speaking in public comment,

sending emails, and rallying. Otherwise, after tenants move out, or after forcing tenants out, landlords can raise rents as high as they feel the market will allow—during this severe housing shortage, that has meant corporate landlords especially have raised rents sky-high.

## What loopholes hinder rent control?

Our rent control legislation has none of the corporate loopholes that the landlord lobby has often used to undermine and nullify rent control protections in cities and states around the country:

### **Our law protects all renters in Seattle.**

Many cities and states limit rent control protections to only apply to certain units. For example, New York City's [rent control law](#) only applies to 16,400 apartments built before 1947 that have been continually occupied by a tenant since 1971, and their rent stabilization covers around 1 million apartments in buildings with six or more units built before 1973. In these places, rent control works great if you are lucky enough to find a rent controlled apartment, but leaves all other rents unprotected from the predatory for-profit rental market. **Corporate landlords, who themselves strenuously fight to put in these loopholes, then dishonestly point to the high rent in the uncontrolled housing and claim that rent control doesn't work.** The truth is the opposite, because it is only the housing excepted from rent control that have the uncontrolled rents. **Our rent control law would protect all renters in Seattle, regardless of the rental home's size, type, location, or building date.**

### **Our law stops 'vacancy decontrol'.**

Many cities and states, most notably in California, have created a loophole called 'vacancy decontrol' where landlords can raise the rent without limit every time a renter moves. As a result, the rent control policy becomes ineffective, because housing is continually reverting to market prices. It also creates those outrageous situations where an unscrupulous landlord will try to bully long standing tenants (often elderly and/or low-income) out of their homes in order to raise the rents. This has been another of the abusive tactics used by corporate landlords to reap profits. A grassroots renters' movement in New York State fought and overturned the vacancy decontrol loophole in 2019.

## Won't developers stop building new housing if there is rent control?

No. The claim that rent control reduces the quality and quantity of available housing is a myth perpetuated by the real estate lobby. Big developers have controlled Seattle's political establishment for years, and despite a skyline littered with cranes, Seattle's big developers have done nothing to make rents more affordable.

New York City's "two largest building booms took place during times of strict rent controls: the 1920s and the post-war period between 1947 and 1965." More recently, UC Berkeley researchers have found that "the six cities that had rent control in the Bay Area actually produced more housing units per capita than cities without rent control."

In addition to rent control, our movement also needs to fight for taxing big business to fund a massive investment in social housing, which would mean construction of new publicly-owned, affordable homes, and also public-sector, unionized, living-wage construction and maintenance jobs.

## **What is ‘one-to-one replacement’?**

Our rent control law requires one-to-one replacement of affordable units anytime there is new construction, or redevelopment. If a developer demolishes a ten-apartment building to build one with 100 apartments, the new landlord must maintain the original rent of the 10 units they demolished in at least 10 of the new units. New construction that is truly new, and honestly adds housing to Seattle will be able to choose the initial rent to charge, but any rent increases after starting rents are set would be covered by our rent control law, and could not be greater than the rate of inflation.

## **What if a landlord experiences an unexpected financial emergency?**

Our rent control law creates a rent control board of five renters and one landlord in each City Council District, empowered to consider exceptions. If a small landlord faces unforeseen costs like a tree falling on the roof, and they honestly need financial support, they can appeal to the rent control board for an exception. However, our bill makes clear that these exceptions are only to be granted when they are truly needed.

## **What happened to rent control in Oregon?**

In 2019, the Oregon State Legislature passed an extremely limited rent control policy that limited rent increases to the rate of inflation **plus an additional 7 percent**. That means, for example, rent increases in 2023 can be over 14 percent. While some renters in Seattle have faced even greater rent increases, 14 percent is totally unacceptable, and a real burden for working people in Oregon. Our Seattle rent control bill would limit rent increases to the rate of inflation so renters do not fall farther and farther behind. The Oregon law also includes other serious loopholes, including vacancy decontrol and exemptions.

## **Could rent control lower the quality of rental housing?**

No. Slumlords thrive under capitalism when tenants have limited protections. The only way to eliminate slumlords and badly-maintained housing units is for renters and working people to empower ourselves through getting organized into a movement independent of the establishment, and fighting for bold affordable housing solutions: rent control, social housing funded by taxing big business, a full [Renters’ Bill of Rights](#), and strong enforcement.

In areas where the vacancy decontrol loophole prevails, landlords might allow housing to fall into disrepair to encourage tenants to move out. So, we need to build a movement strong enough to win rent control without corporate loopholes. Slumlords and exploitative property corporations are not a product of rent control, but of low social and political power of renters and working people versus real estate conglomerates and the super-wealthy.