

SEATTLE NEEDS RENT CONTROL!

Sustainability & Renters' Rights Committee
July 12, 2023



Councilmember

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Our city's renters are in crisis.

**Seattle metro area rents
increased by nearly 92 percent
between 2010 and 2020.**

**Why do rents
keep increasing
dramatically?**

For-profit landlords claim they need to increase rents to make mortgage and tax payments, and for maintenance or improvements.

The reality?

For-profit landlords raise rents because they can, given the balance of power they have against working-class and low-income renters.

SURVEY: Which landlords are responsible for the most gouging rent increases?

Only 52% of landlords who own one property said they will increase rent.

Compared with 92% of those who own more than ten units.

SURVEY: Which landlords are responsible for the most gouging rent increases?

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.

Report by Accountable.US:

Corporate landlords made enormous profits by “imposing double-digit rent increases, charging excessive fees, and engaging in abusive tactics to evict tenants.”

Corporate landlords have raked in astronomical profits from rent increases.

Report by Accountable.US:

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.

Corporate landlords have raked in astronomical profits from rent increases.



invitationhomes™



Invitation Homes, AvalonBay, and AMH own multiple properties in Seattle.

Corporate landlords rake in astronomical profits from both rent increases and by piling egregious fees on top of rent, such as late fees.

In April, we won a \$10 per month limit on the late fees landlords can charge for overdue rent, and a ban on junk fees tacked onto late fees!

**Is that the end of the story of how
corporate landlords jack up rents?**

Not quite!

Is that the end of the story of how corporate landlords jack up rents?

Not quite!

Seattle landlords accused of conspiring to raise apartment rents

Nov. 16, 2022 at 4:00 pm | Updated Nov. 16, 2022 at



The Seattle Times 

@seattletimes

In one Seattle neighborhood, [@ProPublica](#) found, 70% of apartments were overseen by just 10 property managers, every single one of which used pricing software sold by RealPage. That's raised concerns.

Technology

Rent Going Up? One Company's Algorithm Could Be Why.

by Heather Vogell, ProPublica, with data analysis by Haru Coryne, ProPublica, and Ryan Little

Oct. 15, 2022, 5 a.m. EDT

As lawsuits allege, corporate landlords are outright engaging in “price-fixing.”



ESSEX

PROPERTY TRUST, INC.

Patent 523 Apts

\$1,639-\$3,489 for Studios-2 bed

\$408 million in 2022 profits

All Pilgrims Church

The Connection on Broadway

\$2,095-\$6,489 for Studios-3 bed

GREYSTAR™

The Global Leader in Rental Housing

*Biggest landlord in US; private company so profits unknown. **CEO Bob Faith is worth \$5.2 billion***



The Heights on Capitol Hill

Studio \$1,832; 1 bed \$2,255 and up; 2 bed \$2,913

\$807 million in 2022 profits

AVA Capitol Hill

Studio: \$1,857
1 bed: \$2,277-\$3,096
2 bed: \$3,563

AvalonBay
COMMUNITIES

\$1.1 billion in 2022 profits, a 13 percent increase, based on “a double-digit rent increase on the unit inventory we leased...A very favorable outcome that sets us up well for 2023,” the CEO told his investors.

The question for Councilmembers is not whether Seattle should or should not have rent control.

The question is what system of rent-setting they support — rent control for working and poor people, or the “price-fixing” scheme by the big corporations, as the lawsuits say.

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

Tenants of corporate landlords and slumlords face persistent dilapidated conditions despite complaints.

Tenants may even be too intimidated to complain.

Spiders, sewage and a flurry of fees – the other side of renting a house from Wall Street



REUTERS INVESTIGATES

Invitation Homes: "fee-stacking" while forcing tenants to face "leaky pipes, vermin, toxic mold, nonfunctioning appliances and months-long waits for repairs."

In 2015, Seattle landlord Carl Haglund tried to double the rents of East African working-class tenants, while ignoring serious conditions like mold and roach infestation, broken heaters.

Tenants of run-down building: Owner said pay more or get out

The Seattle Times

Tenants fought back and delivered Haglund a major defeat!

Also built momentum to win the Carl Haglund law, which prohibits landlords with outstanding housing code violations from raising rents.



How would our rent control law work?

Landlords cannot raise the rent by more than the rate of inflation.

ALL rental homes will be covered—
NO corporate loopholes!

**What loopholes
hinder rent
control?**

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'.

Costa Hawkins Rental Housing Act of 1995, California:

- **Vacancy decontrol:** allows landlord to raise the rent to market rate once a tenant moves out
- **No rent control on units constructed after February 1995**
- **Single-family homes and condos exempted from rent control**

Democratic Senator Jim Costa and Republican Assemblymember Phil Hawkins — bipartisan agenda in favor of wealthy real estate lobby.



The law “has kept cities like Los Angeles from protecting our tenants for too long”

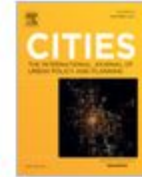
**Won't developers
stop building new
housing if there is
rent control?**

Rent control does not adversely affect new construction.



Cities

Volume 49, December 2015, Pages 121-133



Forty years of rent control: Reexamining New Jersey's moderate local policies after the great recession

and a proxy for abandonment. We find that these 40-year-old policies do not exert any statistically-significant effects on their communities' housing markets once other factors are controlled—a finding which has implications for affordable housing and advocacy in New Jersey and beyond.

**Doesn't the statewide
ban make rent control
illegal in WA State?**

Our rent control legislation is a 'trigger law.' If passed by the City Council, it will become effective the moment the state law banning rent control is overturned.

Is such a trigger law legal?

Completely. Our legislation has been thoroughly reviewed by the City Attorney's office.

**Why push for this trigger law now?
Shouldn't we wait for the statewide
ban to be lifted?**

**If we win this rent control trigger law in
Seattle, won't it make Washington
State politicians even more determined
to uphold the ban?**

**Democrats have refused to lift
the ban in 42 years.**

**They refused to even bring two
bills for a vote this year. The
movement needed to win in
Seattle will help with statewide
momentum.**

Who opposes rent control?

Corporate landlords, big banks, millionaire and billionaire shareholders

NEWS | May 2, 2023 at 9:32 am

Who's Triggered by Sawant's Rent Control Trigger Law?

theStranger



10th largest apartment management company in the entire country with 101,000 units

Headquartered in Seattle they manage \$25 billion in multifamily and single-family assets nationwide



Beam Apartments (CID)
1029 S. Jackson
Studio-2 beds:
\$1,305-\$4,108

Alexan 100 (Belldtown)
100 Denny Way
Currently advertising
1 bed apartments
from \$2,496-\$4,259

Muir (edge of CID)
718 Rainier Ave S
Studios:
\$1,711-\$1,964
2 beds:
\$2,984-\$3,170

The Deceptive, Shameful, Lucratively Funded War Against Rent Control

In California and across the country, landlord groups are waging a disinformation campaign to squash efforts to make rent more affordable.

One of the Bay Area's biggest landlords spends \$2.4 million to defeat proposed California rent control measure

WALL STREET IS SPENDING BIG TO PROTECT ITS ABILITY TO JACK UP RENTS IN CALIFORNIA

The world's largest real estate management firm has spent \$7 million against a ballot measure that would allow cities to re-establish rent control laws.

Who opposes rent control?

Corporate media

Newsletter | March 24, 2023

CNBC Airs Falsehoods And Parrots

Landlord Lobbyists To Trash Rent Control



Who opposes rent control?

WA State Democrats have a strong majority in both the Senate and House.

Yet, they refused to repeal the ban on rent control and refused to pass statewide rent stabilization.

Legislature Abandons Rent Stabilization Push

By Doug Trumm - March 14, 2023



Who **SUPPORTS** rent control?

**Renters, working people, &
low-income community members...
The majority of our city.**

Since 2015, over 35,000 Seattleites have signed petitions for strong rent control.

A 2020 survey found 71 percent of likely Washington voters support rent control.

NEWS | Apr 22, 2020 at 12:15 pm

Poll: A Vast Majority of Washingtonians Support a Rent Control and Tenant Protection Initiative

theStranger

JOIN THE FIGHT FOR RENT CONTROL!

Join us on Friday, July 21st at 9:30am at City Hall for the next Renters' Rights Committee

Email kshama.sawant@seattle.gov with questions