

## Corrections to “The paradox of renter protections: Misguided policies worsen housing shortage” by Cory Brewer

A recent Op-Ed I wrote argued that legislative attempts at renter-protection policies are counterproductive to the stated goal of helping resolve our region’s housing issues [[“The unintended consequences of rent controls and eviction moratoriums,”](#) June 7, Opinion]. In the weeks that followed, my work was questioned in public city council meetings and in a three-part series [published by Crosscut](#) that suggested — erroneously — that I did not provide “a shred of evidence” to support my claims. Let me be more specific.

Many of the policy goals billed as “renter protection” draw primarily from anecdote, speculation and, worst of all, ideologically driven narrative. Such goals are effective in swaying voter bases and work well as reelection campaign slogans. **The policies, however, exacerbate our housing shortage, as reflected in a recent report by the Turner Center for Housing Innovation at UC Berkeley.**

**CORRECTION:** The linked report is specifically and only about the pandemic's impacts on tenants and small landlords. It does not at all question, but instead takes for granted, the social necessity of eviction moratoriums:

"Government actions, particularly in the form of stimulus payments, supplemental unemployment benefits and eviction moratoria, have largely prevented a housing crisis in the short term."

It's a total misrepresentation to say that this report supports the notion that "policy goals billed as 'renter protection'... exacerbate the housing shortage." **It doesn't mention any renter protections other than eviction moratoriums enacted in the context of a global pandemic.** Therefore, the highlighted statement is misleading and should be amended.

The report does conclude that some small landlords are taking steps to sell due to pandemic-related hardship:

"The owners of about 13 percent of the units covered in the survey said that they were forced to take steps to sell off one or more units as a result of the pandemic."

This unsurprising finding is a far cry from the broad claim that renter protections exacerbate the housing shortage.

Much of the rental housing in and around Greater Seattle comes in the form of single-family homes, commonly provided by “mom-and-pop” landlords.

**CORRECTION:** Among Seattle rentals registered with SDCI, single family homes constitute approximately 1/7 of rental units (see chart below).

In the Seattle-Tacoma-Bellevue Metropolitan Area, fewer than 1/5 of renter households live in a detached, single-family dwelling unit; and about two-thirds live in a multifamily building of five or more units, according to American Housing Survey data.

It is therefore inaccurate to say that "much" of the rental housing comes in the form of single-family homes. This could be changed to “some.”



These almost exclusively are the clients of my property management firm. These homes are the only practical choice for many renters in our community who come from all walks of life, some choosing to rent for convenience and others out of necessity.

Here are three criticisms and what they fail to address:

**The false narrative:** There is no data behind the claim that mom-and-pop providers are selling their rentals and thereby depleting the rental-housing supply. If some are, the number is negligible, and Seattle has added rentals over the past 50 years.

**The numbers:** In addition to the statistics that I cited in June, I gathered data from a dozen other property managers covering 10 counties across Washington state. Last year, their clients collectively sold off 229 rental homes. Midway through 2021, their clients have sold 159 homes, on pace for a 38% increase by year's end.

In Seattle, the availability of three-plus bedroom rentals on the Northwest Multiple Listing Service (NWMLS) so far this year is down 7.5% from the previous five-year average.

**MISLEADING:** In a [July 2020 article in the Rental Housing Journal](#), Cory Brewer himself notes a 15% decrease in NWMLS rentals from 2019 to 2020 but gives a very different explanation:

"Like the real-estate sales industry, our ability to tour homes with prospective renters was (and to some degree still is) affected by health-protection measures. We also attribute this drop-off to the reality that people didn't move as much as they normally do this spring compared to previous years. Mobility has been restricted and a lot more people have chosen to renew their leases instead."

It is reasonable to suppose that renewals remain high this year -- and listings low -- for precisely the same reason. So how can Brewer now present this as evidence of sales?

Even using the most minimal estimation of rental homes selling due to legal changes, more than 350 single-family renter households are displaced annually in Seattle due to rental protections.

**OMISSION:** Without linking to or citing a source, it is impossible for readers to assess this claim.

Other reports estimate it could be 2,500 or more.

**CORRECTION:** The article linked to is titled: "Eviction Moratorium Forced 12% of Small Landlords Out of Business."

First, it is entirely wrong to present this as a number of households displaced "annually" when it's only about the COVID-19 pandemic.

Second, it's wrong to count this as displacement due to generic "legal changes" or "renter protections." It's not even due to eviction moratoriums per se; the title of the article itself is misleading, since what the report actually says is that "in a recent survey, 11% of [small

landlords surveyed] say they've sold one property **as the result of the pandemic**. And 12% have sold their entire portfolio." This could mean many things.

Finally, for this number to mean anything, Brewer should be comparing it to the number of renter households that would have been displaced if there were no eviction moratoriums in effect during a time when hundreds of thousands of renters statewide and many tens of thousands in Seattle were unable to pay rent.

How do these displaced households feel about such policies? In February, the Housing Justice Project provided me a chart documenting thousands of new rental units added to the Seattle market since 1970. At the time, I asked how it compared to overall population growth and for the mix of new apartments compared to new houses. **The answers must not be very convenient to the narrative, because I have yet to receive them.**

**MISLEADING:** Publishing this kind of direct insinuation is arguably both unprofessional and useless to readers, if not outright journalistically irresponsible. I imagine the Housing Justice Project staff may have had more urgent work to do than correspond interminably with Cory Brewer and do research on demand for him.

In any case, the information Brewer asked for is irrelevant to the point made by the chart he refers to ([also printed in my column here](#)), which is that the Just Cause protections first implemented in Seattle in 1980 had no discernible effect on the rental housing supply.

This is a particular problem because, though the COVID-19 pandemic is temporary, legislators are using it to craft permanent changes to fundamental contract laws that are eroding the housing supply. If anything is certain going forward, the work-from-home trend will continue to draw people away from in-city apartments and toward suburban single-family homes.

**The false narrative:** Greedy landlords are jacking up rents. Evictions are the leading cause of homelessness. Government intervention is necessary.

**The numbers:** **July apartment rents in Seattle are down 3.9% from this time last year and down further still compared to early 2020 pre-pandemic levels. The argument for rent control** assumes that housing

materializes spontaneously and costs nothing to maintain.

**MISLEADING:** This decrease in rents is largely **because of** temporary rent control enacted during the pandemic. Landlords were banned from raising rents at all from March 2020 through June 30, 2021. Gov. Inslee's Bridge Proclamation allows rent increases starting July 1, but they require 60 days written notice before going into effect. **Landlords have not jacked up rents since early 2020 thanks to government intervention.** Far from contradicting the "false narrative" above, this arguably supports it. At the very least, eviction moratoriums should be mentioned in relation to the fall in rents to make it clear this wasn't a gift of the free market.

In the real world, it has been widely reported that 91% of rent collected **goes toward operating costs**. Policies masquerading as "stability measures" not only diminish an already limited housing supply but also discourage future investment.

**A popular study by Dr. Tim Thomas at the University of Washington correlates a dramatic rise in the state's homeless population with a loss of affordable housing and a decline in evictions.**

**CORRECTION:** Brewer's suggestion here is that evictions don't cause homelessness because increasing homelessness correlates with a decline in evictions; Dr. Thomas's study argues the opposite. The first sentence of the executive summary in the linked report is: "Evictions contribute to homelessness due to rising rents, the lack of affordable housing, and rent burden."

Later: "Based on prior research that finds a direct link between evictions and homelessness through qualitative surveys and our quantitative examination of trends in the state, it is becoming *increasingly evident that eviction seems to be one of the direct mechanisms between the current housing crisis and increases in homelessness.*" (Italics mine.)

The study interprets the decline in evictions as most likely related to the increasing prevalence of high-income households and the declining number of low-income households in the market at all:

"...the [Urban Institute Study](#) referring to a connection between decreasing evictions and affordable housing as a result of losing low-income households seems to be a likely relationship for Washington as well. In our case, *we seem to have fewer households to evict possibly because they have entered into homelessness.*" (Italics mine.)

Also, Dr. Thomas is no longer at the UW, he is at UC Berkeley's Urban Displacement Project.

**As the group Challenge Seattle recently reported, Seattle-King County saw a 42% annual increase in its**

## homeless population despite a statewide eviction moratorium.

**CORRECTION:** From the linked report: "Over the last four years, chronic homelessness has risen at an annual rate of 27% statewide and an astonishing 42% in Seattle-King County"

The period in question is 2016-2020, i.e. entirely pre-pandemic since the count takes place in January. So this increase is not "despite a statewide eviction moratorium" -- it had absolutely nothing to do with the statewide eviction moratorium because it preceded it.

Furthermore, the Challenge Seattle numbers themselves are actually wrong or at least extremely misleading. Here are the chronic homelessness numbers from the [King County one night counts](#):

2016 - 814

2017 - 2773

2018 - 3552

2019 - 2213

2020 - 3355

Challenge Seattle arrived at such a high CAGR (compound annual growth rate) because they started from that low 2016 baseline. Anyone looking at these numbers without an ideological agenda would wonder what on earth happened between 2016 and 2017. **What happened is a big change in the methodology of the annual count.** From the [2017 report](#):

"Due to the significant changes in the count methodology in 2017, caution is advised in noting trends from previous years' count data, which will not be presented in this report. This is especially true of subpopulation data, where the survey effort was able to provide significantly more reliable data about the unsheltered population. This year's report establishes a new baseline for Seattle/King County."

**Starting from this newly established baseline, the actual CAGR for the period 2017-2020 is around 6.5%, not 42%.**

Some legislators do understand all of this, but it is frustrating to watch others fail to grasp the most basic housing concepts, not to mention existing state law. A Seattle City Council staffer recently explained "the need for government to get involved in the (lease) transaction" in support of a rent-control proposal. This line of thinking reminds me of another ominous number — "1984."

Regarding evictions, it should be noted that government housing projects have a reputation for a reason: **King County Housing Authority is the No. 1 evictor in the state, with Seattle's not far behind, according to a 2019 report by the King County Bar Association.**

**OMISSION OF CONTEXT, MISLEADING & INCORRECT:** This is an egregious misrepresentation of the data. First of all, KCBA only documented filed evictions in King County, not the whole state.

More to the point, KCHA had the highest absolute number of evictions (58 in 2019) because it has **over 11,000 units in its portfolio**. The second highest number of evictions (53 in 2019) was by GRE Downtowner LLC, which is **a single building**. (Goodman Real Estate owns a number of buildings but establishes separate LLCs for each.)

In other words, KCHA has astronomically lower **eviction rates** than many, many private landlords.

**The false narrative:** A mortgage is 30-year rent control for a homeowner.

**The numbers:** Cute analogy. Whoever came up with it must have never seen a property-tax bill. Housing providers are financially responsible for maintenance (and utilities if unpaid by a tenant). Halfway through 2021, the average three-bedroom rental in Seattle offered through NWMLS was \$3,371 a month. Meanwhile the purchase of the average three-bedroom home in Seattle would cost \$3,598 a month on a 30-year fixed mortgage at 3.25% interest and 10% down payment, plus ever-increasing tax, insurance and maintenance. Relatively speaking, the affordable family housing in modern-day Seattle is provided by mom-and-pop house rentals.

Marilyn Yim is a fellow Rental Housing Association member and co-founder of Seattle Grassroots Landlords, a group dedicated to bringing these issues forward with elected officials. She helped me gather data and is also one of many small mom-and-pop

property owners affected by recent legislation. Experiencing this all firsthand, she views the policies as more “anti-landlord” than “pro-tenant.” So much so that she, like a growing number of others, has chosen to leave her rental vacant for the time being due to dramatically increased risk. **She would be bankrolling someone to occupy her property if they failed to pay not only the rent, but also their utility consumption.**

**CORRECTION:** There is nothing in any law that says the tenants do not owe the rent and utilities. She also can choose the credit rating, income requirements, etc. for a prospective tenant so this is quite frankly performative and not based in reality. While it’s true that rental assistance has been slow to process, there are a number of programs in place that will ultimately allow landlords to recoup nearly all their losses if a renter is unable to pay due to pandemic-related hardship. Context should be added to make all this clear.

In talking with other Rental Housing Association members, she laments that every small landlord she knows “has an exit strategy.” Yim, who resides in the triplex with her rental unit, is currently prohibited from the following in her own home:

- Running a criminal-background check on a prospective tenant.
- Denying tenancy to anyone who claims a “relationship” with an existing tenant, including **violent ex-boyfriends**.
- **Enforcing lease terms such as behavior** and payment.

**MISLEADING:** Seattle’s eviction moratorium allows evictions when the tenant causes an imminent threat to the health and safety of others.

“Renter protection” has been a hot topic, but **are these policies even legal? In July 2020, the city council in St. Paul, Minnesota, passed similar laws, which a federal judge overturned** in April. This seems a predictable **outcome for the recent legislation** passed by the Seattle City Council, despite receiving legal advice that the bills were unlikely to withstand legal challenge.



**MISLEADING:** The St. Paul laws that were overturned are similar to laws here in Washington that have **already** been upheld in our state's court system and/or have been in place in some form for a long time: fair screening & just cause.

Washington courts have recently ruled a number of recent renter protections policies legal, against suits by landlords and their lobby groups. The Western District of Washington upheld the Fair Chance Law that limits criminal background checks. The Washington Supreme Court upheld the First-in-Time Ordinance that requires landlords to rent to the first qualified renter. The eviction moratorium prohibiting evictions for nonpayment and only allowing for those necessary for the health and safety of others or the landlord have been upheld by the King County Superior Court.

It's dishonest and misleading to say that being overturned is a "predictable" outcome for recently passed renter protection laws.

The byproduct of all this policy is that mom-and-pop housing providers have been largely cast aside. They cannot absorb the risk or lost rental income. In my 10-plus years representing them, I have seen time again how tenant relationships are developed and valued. I have seen how our clients provide vital rental-housing options. I have seen them cover utilities and waive rents for struggling tenants. Renters ultimately lose when corporations and government housing replace these mom-and-pop providers. Housing stability is a high priority, and believe me, tenant turnover can often be a tedious and expensive process that we'd just as soon avoid. These owners are small-business operators — don't drive them away. Once they sell, it's a virtual guarantee the home will never be offered as a rental again.

How does all this affect you? Do you aspire to grow your household someday and move into a larger residence? If you rent a house in the Seattle area, what would you do if it were sold in the coming year? Are there suitable options available in your neighborhood at a comparable price? Have you applied for rental housing recently, only to find that the market is competitive, and you lost out? Election season is coming up — where does your

candidate stand on a housing-stability policy that works for you, now and in the future?

There are renters who need help and ways to help them, like financial assistance. The help should be targeted toward those in need, not a broad stroke that negatively impacts the majority of housing providers and renters alike. There are also ways to preserve and expand future supply through zoning, rather than penalizing current supply.

Thomas' study concludes that 1.8% of the adult population in Washington state has experienced eviction.

**CORRECTION:** This is incorrect. The study actually says: "Between 2013 and 2017, 1 in 55 Washingtonian adults had an eviction (130,203 adults which equals 1.8% of the State's adult population)."

That's a 4-year period. The percentage of the state's population that has experienced eviction at some point in their lives is therefore far higher. In fact, the next line in the study is: "Between 2004 and 2017, 397,697 adults have received a formal eviction."

In addition, this and other studies only look at formal, court-based evictions. They do not cover informal evictions or ones that take place outside the courthouse.

When coupled with a 2019 King County Bar Association study, we can surmise that many were evicted from government housing and/or low-income corporate apartments. Does this warrant the crippling of our region's single-family rental housing supply?

**UNSUBSTANTIATED CLAIM:** Still no evidence for this.