

OFFERED BY COUNCILORS ENRIQUE J. PEPÉN, HENRY SANTANA, LIZ BREADON, COLETTA ZAPATA, DURKAN, FITZGERALD, FLYNN, MEJIA, MURPHY, WEBER AND WORRELL



## CITY OF BOSTON IN CITY COUNCIL

### ORDER FOR A HEARING TO PROHIBIT RENTER-PAID BROKER FEES WHEN HIRED BY A LANDLORD

- WHEREAS,** Boston is a desirable city to start a career, seek higher education, grow a family, and yet is one of the most expensive cities in the world to live in in part because of a housing shortage; *and*
- WHEREAS,** According to the U.S. Census, sixty-five percent of Boston residents are renters; *and*
- WHEREAS,** The average monthly rent in Boston is of \$3,418, which is 119% higher than the national monthly average of \$1,559; *and*
- WHEREAS,** State Chapter 185 Section 15B states a landlord cannot require a prospective tenant to pay anything other than first month's rent, last month's rent, a security deposit equal to one month's rent, and the purchase of a lock and key. Yet, the practice of a landlord charging the fee for their real estate broker as part of the rental application has become commonplace in Boston's rental market; *and*
- WHEREAS,** Landlords tend to hire real estate brokers to assist in showing, assessing, and managing the tenant application process; real estate brokers are required to disclose a fee that can be paid by the landlord; *and*
- WHEREAS,** Because of the housing shortage and high building costs, Boston's rental market has become increasingly competitive, creating fear amongst prospective tenants to better the chances of their application being accepted and pay any request of the landlord without disputes; *and*
- WHEREAS,** With prospective tenants paying real estate brokers for services hired by the landlord, most are expected to pay three times the monthly rent when their application is accepted before moving into their new home, thus causing lower-income prospective tenants to refrain from living in Boston or find other housing options less suitable to their needs; *and*
- WHEREAS,** New York City recently passed their Fairness in Apartment Rentals Act, leaving Boston as the only major city in the United States to allow tenant-paid brokers fee; *and*

**WHEREAS,** By prohibiting the use of broker's fees paid by renters on behalf of landlord-hired services, landlords may be inclined to lower rent to not pay a higher cost for these services; *and*

**WHEREAS,** Boston is one of the most expensive cities to live in the country, additional, unnecessary financial barriers to housing should be eliminated; ***NOW, THEREFORE BE IT***

**ORDERED:** That the appropriate committee of the Boston City Council hold a hearing to explore the ability to prohibit, either through city or state legislation, the common practice of landlords forcing tenants to pay broker fees. Representatives from appropriate departments of the administration, State legislatures, and housing advocates will be invited, and members of the public are encouraged to attend and testify.

Filed on: November 20, 2024