

OFFERED BY COUNCILOR TANIA FERNANDES ANDERSON, RUTHZEE LOUIJEUNE, KENDRA LARA, BOK, ARROYO, BREADON, COLETTA, MURPHY AND WORRELL



CITY OF BOSTON IN CITY COUNCIL

ORDER FOR A HEARING TO RESTRICT UP-FRONT RENTAL COSTS FOR TENANTS

WHEREAS, Boston is one of the most expensive cities in the world to live in, with an average monthly rent of \$3,894; *and*

WHEREAS, The cost of two-bedroom apartments has risen almost 20 percent from 2021 to 2022, with 98 percent of all apartments in Boston costing over \$2,000 a month; *and*

WHEREAS, The least expensive neighborhoods in Boston are Mattapan, with an average rent of \$2,1000 and Hyde Park, with an average rent of \$2,000; *and*

WHEREAS, Many tenants in Boston are required to pay an upfront cost of the first month's rent, last month's rent, a security deposit, and the broker's fee which is typically equivalent to one month's rent; *and*

WHEREAS, Boston and New York City are the only two major cities in the country allowing landlords to pass on broker fees to tenants, even though broker fees were historically paid by landlords who hire the brokers; *and*

WHEREAS, However, while New York City is the only other city that allows broker fees for tenants, New York state has eliminated costs above the amount of one month's rent for tenants by landlords; *and*

WHEREAS, The upfront costs tenants have to pay, add up to at least \$8,000 in the cheapest apartments in Boston, and over \$15,000 on average; *and*

WHEREAS, According to the Federal Reserve Bank of Boston, white Bostonians have average liquid assets (money in savings and checking accounts, stocks, money market, and government bonds) valued at \$25,000, compared to an average liquid asset value of \$1,668 for non-white Bostonians; *and*

WHEREAS, The average tenant in Boston does not have the savings to pay three or four months rent up front to a lessor, while disproportionately impacting non-white residents of Boston; *and*

WHEREAS, The groundbreaking 2020 study, Qualified Renters Need Not Apply, showed that race and class played a major role in how one is treated when seeking housing; *and*

WHEREAS, The same 2020 study demonstrated that real estate brokers play an outsized role in discrimination in the rental housing market, of the 200 testers in the study, 182 had contact exclusively with real estate brokers; *and*

WHEREAS, Black residents of Boston have been declining since 2000, with over 10,000 Black residents leaving the city; *and*

WHEREAS, Half of all Boston's rental units are owned by corporations, with 32 percent of rental units being owned by very large corporations that represent 0.46 percent of landlords; *and*

WHEREAS, Individual owners of rental properties, make on average 45 percent more than the area median income; *and*

WHEREAS, The City of Boston needs to do everything in its power to make housing accessible to historically disenfranchised communities who have low savings due to systemic inequities; **NOW, THEREFORE BE IT**

ORDERED: That the appropriate committee of the Boston City Council hold a hearing to discuss limiting the amount of fees lessors, landlords, and brokers can charge tenants within the city, and that representatives from the Mayor's Office of Housing, the Equity and Inclusion Cabinet, the Boston Redevelopment Agency, and community leaders, real-estate experts, and other relevant stakeholders be invited to attend.

Filed: March 1, 2023