



Maryland Consumer Rights Coalition

**Testimony to the House Environment & Transportation Committee  
HB551: Real Property – Residential Leases – Rent Increase Restrictions  
Position: Favorable**

February 15, 2022

The Honorable Kumar P. Barve, Chair  
Environment and Transportation Committee  
Room 251, HOB  
Annapolis, MD 21401  
cc: Members, Environment and Transportation Committee

Honorable Chair Kumar P. Barve and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances economic rights and financial inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are writing today in support of House Bill 551.

Maryland has the 8th highest rent in the country. The Fair Market Rent (FMR) in Maryland averages \$1,256 for a 2-bedroom apartment across all Department of Housing and Urban Development (HUD) Metro FMR Areas.<sup>1</sup> To afford a 2-bedroom rental home in Maryland a renter would need to work 102 hours per week at the minimum wage.<sup>2</sup> Rent in Maryland is unaffordable and unsustainable.

Furthermore, the risk of eviction has skyrocketed as a result of the COVID-19 pandemic. According to STOUT data, an estimated 109-204,000 Maryland households were at risk of eviction at the end of 2020.<sup>3</sup> Maryland is facing a housing crisis; forty-one percent of Maryland renter households, pre-pandemic, were cost-burdened – paying 35% or more of their income for housing costs. There were 669,778 eviction cases filed in Maryland in FY 2019. That’s nearly 1 case filed per renter household and 5 cases filed per burdened household. The struggle to maintain a home during the COVID-19 health and wealth crisis has become undeniable.

In 2021, our program, the Fair Housing Action Center of Maryland had a total of 1271 clients with an average household income of \$32,481. Given the 2021 FMR average of \$1256, this is unsustainable, and the majority of these clients would be facing eviction, even before the pandemic.

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<sup>1</sup> <https://www.rentdata.org/states/maryland/2021>

<sup>2</sup> <https://reports.nlihc.org/oor/maryland>

<sup>3</sup>

<https://app.powerbi.com/view?r=eyJrIjoiaNzRhYjg2NzAtMGE1MC00NmNjLTlIOTMtYjM2NjFmOTA4ZjMyliwidCI6Ijc5MGJmNjk2LTE3NDYtNGE4OS1hZjI0LTc4ZGE5Y2RhZGE2MSIsImMiOjN9>



HB551 would create much needed rental stabilization across Maryland. Recent research suggests that rent-stabilization policies reduce rents for the tenants they target and provide additional benefits by increasing residential stability and protecting tenants from eviction.<sup>4</sup> These findings should be used to address the need for rental affordability in Maryland and adopt statewide rent stabilization legislation.

While some economists argue that rent stabilization reduces incentives to maintain existing housing or build new housing, contemporary rent-stabilization policies usually have features that mitigate some of these negative impacts. It has also been found that this general critique is less salient when applied to real-world examples, and empirical studies looking into these effects have found mixed results. More broadly, economic analyses often ignore other social benefits associated with neighborhood stability, displacement prevention, and inclusivity.<sup>5</sup>

For all these reasons, we support House Bill 551 and urge a favorable report.

Best,  
Isadora Stern  
Policy Associate  
Maryland Consumer Rights Coalition

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<sup>4</sup> <https://shelterforce.org/2018/03/28/rent-control-works/>

<sup>5</sup>

[https://www.urban.org/sites/default/files/publication/99646/rent\\_control.\\_what\\_does\\_the\\_research\\_tell\\_us\\_about\\_the\\_effectiveness\\_of\\_local\\_action\\_1.pdf](https://www.urban.org/sites/default/files/publication/99646/rent_control._what_does_the_research_tell_us_about_the_effectiveness_of_local_action_1.pdf)