



Testimony to the Senate Judicial Proceedings Committee

HB151: Real Property – Residential Leases – Notification of Rent increases

Position: Favorable

March 28, 2023

The Honorable William C. Smith, Jr., Chair

Judicial Proceedings Committee

2 East, Miller Senate Office Building

Annapolis, MD 21401

cc: Members, Judicial Proceedings Committee

Honorable Chair Smith and Members of the Committee:

Economic Action Maryland is a statewide organization that advances economic justice and equity through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We write in support of House Bill 151.

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. To afford a 2-bedroom rental home in Maryland a renter would need to work 102 hours per week at the minimum wage. Rent in Maryland is unaffordable and unsustainable.

Furthermore, the risk of eviction has skyrocketed as 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 affordable housing has become undeniable.

In 2022, our Tenant Advocacy Program had a total of 1,395 clients with an average household income of \$32,425. Given the 2021 FMR average of \$1,256, this is unsustainable, and the majority of these clients would be facing eviction, even before the pandemic.

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But now things are even worse for renters. According to Moody's Analytics, in the 4th Quarter of 2022, the United States became rent-burdened for the first time ever. Further, effective rents rose above \$1,700 per unit for the first time. Renters need assistance more than ever.

HB151 would create much needed notice for renters experiencing an affordability crisis. Requiring notice for substantial rent increases would help give renters time to evaluate whether to move and time to find alternative housing. This is a necessary protection that would ease the burden on renters and limit the effects of displacement.

For all these reasons, we support House Bill 151 and urge a favorable report.

Best,

Michael Donnelly

Economic Action Maryland

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