

March 28, 2023

I am Dr. Shenetta Malkia-Sapp and I am testifying today on behalf of The PMs of The City, a property management firm that represents real estate professionals, and small landlords in Montgomery County, owning or managing one to fifty units, to express our concerns regarding the rental regulations put forward in Bill 15-23 and Bill 16-23. Rental regulations like these are artificial efforts to overregulate a rental marketplace in Montgomery County that is already setting a good pace for itself aligned with natural market practices.

The false narrative that more than very few landlords may be rent gouging is a false one. In managing properties for the last 20 plus years, the average increase even for the larger management firms has been 3% to 5%. For our clients that own 1 to 5 units, the increase in rent helps with essential property needs. The new bills would increase the hardship on small housing providers, access to affordable housing, and the economic stability and equality you are looking to create and sustain in the county.

A majority of the naturally occurring affordable housing in the County is provided by small landlords. The Montgomery County Planning Department estimates that 25% of the rental housing in the County is provided by people that rent out single family homes, townhouses, and condominiums. About half of the apartment buildings in the County are 20 units or less. These properties are owned by individuals and small businesses; however, this legislation would treat them the same as large corporate providers.

The adoption of these bills and or the legislation as proposed, will result in a decrease in the availability of this affordable housing. Thousands of property owners will choose to sell rather than deal with the hardships and burdens of rental control or other laws that don't include the providers of the housing.

With this in mind, we understand that the Council will look to pass one of the two bills on the agenda in the near future. Of the two bills before us today, Bill 15-23 will ensure bad actors in the industry will be regulated and allow Montgomery County to remain as a place attractive and competitive for long-term property management investments.

I would also be remiss if I did not offer our expertise as property managers and real estate professionals and to remind our elected officials that we are always available to speak with you and show you what is happening on the ground in Montgomery County so that transparent and practical legislation can be adopted to improve the quality of life for all Montgomery County residents.

Thank you for the opportunity to testify and we look forward to having a seat at the table when proposals such as these are discussed at the Council.

Kind Regards

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