

March 28<sup>th</sup>, 2023

Hon. Evan Glass  
President, Montgomery County Council  
100 Maryland Avenue  
Rockville, MD 20850

**Re: Testimony - Bill 15-23 Landlord-Tenant Relations – Anti Rent Gouging Protections**

Dear President Glass and Councilmembers:

The Maryland Building Industry Association (“MBIA”) representing over 1,000 member companies across the state of Maryland is submitting testimony in opposition of Bill 15-23, which would prevent rent-gouging in the County. In general, annual rent increases in excess of the sum of local annual CPI-U plus 8 percent would be prohibited. MBIA appreciates the intent of the sponsors with Bill 15-23 to help combat high rental increases with legislation targeting these increases, as opposed to a blanket rent cap. However, MBIA does oppose rent control in all forms.

The industry supports efforts to address rising housing costs that outpace income growth, but solutions should be aimed at increasing housing supply rather than controlling rent prices. Rent increases are stabilizing, Maryland is one of five states that showed year over year decreases as of December 2022.<sup>1</sup> Many housing providers report market rate rent increases under 4 percent. When utilities are included in the rent, these increases may vary by utility fluctuations, usage, and other factors. It is also important to note that rent increases vary per unit in a property based on individual factors; as such, there is no one-size fits all rent increase across a property, portfolio, or company. When determining rent gouging, it is important to look at a unit's history of rent increases. If the rent increase was 3% in 2020, 2.5% in 2021, and 4% in 2022, that averages approximately 3.2% increase over three years. As market rates are predicated on vacancy rates and various other economic factors, looking at the growth over time is helpful when determining an appropriate yearly rent increase.

Montgomery County needs to build more housing as a whole, both market rate and less expensive housing, especially in high-opportunity communities. To accomplish that, must reduce regulatory barriers that limit the market’s ability to build small, lower-cost homes on expensive land. When the rental housing market and economy are robust, county residents have several options on where to live, and the market will not bear excessive rent increases. During periods of financial hardship, housing providers understand that residents are struggling to meet current rents, and nothing is gained by creating further challenges for residents unable to pay rent.

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<sup>1</sup> Rent Prices Decreasing. “<https://www.usatoday.com/story/money/personalfinance/real-estate/2022/12/16/rent-prices-up-some-states-and-down-others-find-out-where/10894986002/>”

**The legislation calls for a capped increase at CPI plus 8 percent and exempting units that has been offered for rent for less than 15 years. We would ask that the legislation be amended to have flats figure of rental increases to not exceed 15 percent and exempting units that has been offered for rent for 20 years.**

Please reach out to Griffin Benton, [gbenton@marylandbuilders.org](mailto:gbenton@marylandbuilders.org) with any questions or comments.