



March 13, 2025

Governor Bob Ferguson
Office of the Governor
PO Box 40002
Olympia, WA 98504-0002

Lieutenant Governor Heck
Office of the Lieutenant Governor
P.O. Box 40400
Olympia, WA 98504-0400

Washington State Senate
Office of the Secretary of the Senate
P.O. Box 40482
Olympia, WA 98504-0482

Re: Opposition to EHB 1217: Urgent Action Needed for Housing Affordability & Availability in Washington

Dear Governor Ferguson, Lieutenant Governor Heck, and Honorable Members of the Washington State Senate,

We, the undersigned organizations representing Washington's housing providers, real estate professionals, developers, and the construction industry, strongly oppose EHB 1217. This bill threatens housing availability and affordability, exacerbating the existing crisis as we face a staggering deficit of 1.1 million homes by 2044. The proposed rent caps would deter private investment and worsen affordability challenges for residents, undermining our goal of housing stability. We support Governor Ferguson's initiatives for fair rent adjustments and new housing development, particularly his plan to construct 200,000 new units over the next four years, which could generate \$8.4 billion in state revenue. This proactive approach is essential for addressing our housing crisis and promoting investment in our communities.

ECONOMIC CONSEQUENCES OF RENT CONTROL LEGISLATION

Enacting rent control in Washington, specifically through proposed legislation EHB 1217, would lead to significant negative economic consequences, including a one-time tax revenue loss of approximately \$273 million, annual losses of \$114 million in state and local taxes, and a reduction in new housing construction from 45,000 to 24,750 units annually. This reduction could result in the loss of around 10,125 construction jobs, exacerbating housing shortages, declining property values, and damaging overall economic growth.

Historical evidence from other U.S. jurisdictions indicates that similar policies have consistently suppressed new housing supply, reduced affordability, and adversely affected job markets, underscoring the urgent need for increased housing supply rather than imposed rent caps in addressing Washington's housing crisis. Areas that impose rent control struggle to secure financing for new housing developments, resulting in a scenario where any new projects that do emerge are prohibitively expensive, as they are often the only ones that can maintain financial viability under such constraints. A healthy housing market requires a steady influx of diverse housing options catering to all income levels, and restrictive measures like rent control will hinder this vital objective.

THE IMPACT OF REGULATORY PRESSURES

A 2023 audit, "*Understanding Seattle's Housing Market Shift from Small to Large Rental Properties*," reveals an alarming trend of dwindling affordable housing linked to increasing regulatory pressures, like those lawmakers propose for this legislative session. Implementing rent control will exacerbate this trend, pushing responsible housing providers out of the market and severely limiting the availability of diverse, family-sized housing options that are essential for nurturing balanced and vibrant communities. Historical evidence from cities like San Francisco and Cambridge shows that rent control measures lead to reduced rental units and increased costs, with San Francisco experiencing a 15% decline in available units alongside a 7% rise in average rents. Internationally, the recent removal of rent control in Argentina resulted in a 170% increase in available units and a 40% decrease in inflation-adjusted rents, underscoring the need to repeal such restrictions.





*Building a Brighter Future
for Washington*



A CALL FOR BALANCED LEGISLATION

We stand firm in our opposition to rent control and instead advocate for targeted legislation that fosters fair practices to protect tenants while simultaneously encouraging a healthy rental market. While we acknowledge that there are indeed predatory practices in the market that require attention, we believe that implementing a balanced strategy is crucial. Such an approach should focus on holding accountable those bad actors while ensuring that responsible housing providers, who significantly contribute to our rental supply, are not unfairly penalized.

We urge you to reject EHB 1217 and redirect legislative efforts toward policies that actively work to expand housing supply and incentivize development across Washington. This proactive approach is essential to ensuring that families throughout our state have access to safe and affordable housing, as well as the opportunity to build a better future in thriving communities.

Thank you for your attention to this pressing issue. We firmly believe that through collaboration and a commitment to effective solutions, we can address our housing challenges in a way that serves the best interests of all Washingtonians.

Sincerely,

Michele Willms, Lobbyist
Associated General Contractors of Washington

Joe Fain, President & CEO
Bellevue Chamber

Kim Sample, President
Black Realty Management, Inc.

Rod Kauffman, President
Building Owners & Managers Association Greater Seattle

Mayor Kevin Schilling
City of Burien

Sue Denfeld, President
Clark County Rental Association

George Petrie, CEO
Goodman Real Estate

Cheryl Stewart, Executive Director
Inland Northwest Associated General Contractors

Todd Allred, Executive Director
Plumbing-Heating-Cooling Contractors of Washington

Sean Flynn, President & Executive Director
Rental Housing Association of Washington

Kevin Wallace, President
Wallace Properties

Rob Trickler, President
Washington Landlord Association

Rick Glenn, President
Yakima Valley Landlord Association

Morgan Irwin, Government Affairs Director
Association of Washington Business

Jeff Johnson, President
Black Commercial, Inc.

Greg Lane, Executive Vice President
Building Industry Association of Washington

Chris Haase, President
Building Owners & Managers Association Spokane

Adam Cook, President
Commonwealth Real Estate Services

Pete Hanning, Executive Director
Fremont Chamber of Commerce

Emily Thompson, Partner
GMD Development LLC

Christina Mays, President
Manufactured Housing Communities of Washington

Beth Gordon, President
Rental Association of Wenatchee Valley

Kari Magill, CEO
Rowley Properties, Inc.

Chester Baldwin, Executive Director
Washington Business Properties Association

Lance Baker, President
Washington Self-Storage Association

