

February 16, 2021

To: William C. Smith
And members of the Senate Judicial Proceedings Committee
Annapolis, Maryland

REF: Senate Bill 530

I own and manage 50+ apartment units in Baltimore City as well as some commercial properties. As a third-generation real estate broker specializing in the sale of apartment buildings and investment properties in Baltimore City, I work with many real estate investors from all walks of life; some invest in affordable housing, some in middle-market apartment units, while others invest in higher-end properties.

Senate Bill 530 increases the cost of filing a case to recover my property from a person who is residing in my property without paying for it to \$120. This bill would increase the cost of owning and managing a rental unit occupied by a habitual late payer by \$1,440 per year.

A 2018 Johns Hopkins Research paper, commissioned by the U.S. Department of Housing and Urban Development, studied the affordable rental housing industry in Baltimore City and Cleveland OH, finding that one-half of all rentals in Baltimore are in “small properties”, typically single family rowhouses and rowhouses with 2 apartments. The investigators found that less than 40% of small owners have a positive cash flow and only 25% of mortgaged properties have a positive cash flow. Of the small and affordable (below the region median rent) rentals, only those without debt service are viable.

Costs are passed onto tenants in one form or another in higher rents. The effect of this legislation would be a combination of (a) more dilapidated housing as landlords spend more on court fees, leaving less money to be spent on property maintenance, (b) higher rental rates and security deposit requirements to cover the increased costs of delinquencies, and (c) fewer affordable housing units as many marginal landlords are driven from the market. Neither of these effects advances the public good.

I urge the committee to vote Senate Bill 530 as “unfavorable”.

Sincerely Yours,



Benedict J. Frederick III, CCIM
President