

**Remarks by 2023 Spokane Realtors® President Tom Hormel  
to Spokane City Council members at their regular meeting  
on Monday, February 27<sup>th</sup>, 2023**

Thank you, council members, for the opportunity to speak with you this evening.

My name is Tom Hormel and Tonight I am speaking to you on behalf of the Spokane REALTORS® as the 2023 president.

We believe that passing this ordinance could have and will have a negative impact on rental availability and affordability in Spokane and as you all know we already have a shortage of available homes to rent or buy. That shortage is the largest factor in the rising cost of housing in Spokane as well as other factors like property taxes which rose last year by a record amount across the entire county.

I mention this because We are concerned by the number of smaller landlords who are selling off their units. By our estimates, about 8-10% of these units are sold every year. This "sell-off" was predicted in a Whitworth Economics Professor's in the report "[Housing as a Social Determinant for Health](#)," that shows how over 80% of smaller landlords were considering selling off their properties because of regulations such as these

I have a client and friend that is one of the aforementioned small landlords. His wife and he have, over their lifetimes, acquired a few rental properties as their retirement and now they are worried that due to these types of regulations. if passed they will be forced to either raise the rents on their tenants. Which They have for years been charging under market rents but that would no longer be an option and they may be forced to sell the properties. The rising costs of property taxes plus the additional fees that this ordinance would charge as well as the other regulations in this ordinance putting additional risks and burdens on the landlord.

I just read an study from the building industry that showed that 40.6 % of the cost of building a multi-family property in 2022 was in government regulations. If you cared about the cost of housing, you'd do all you could to minimize your impact on the creation of new housing and that is not done by passing new regulations that will cause builders and developers to pass us over to build in north Idaho. More Supply will reduce demand this is a basic principle of economics.

A healthy housing market depends on developers, builders, tenants, and landlords and we fear that regulations like this will force multi-unit development to cease and smaller landlords to sell forcing further pressure on the housing market.