

Blum, Alyster

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Good morning

25 year Rental Provider in Lewiston, Portland and Biddeford

We have a family biz - rentals- and have been doing this a very long time.

I wanted to point out downside to rent controls (which we have in Portland)

RENT CAPS directly subsidizes higher income tenets.

I will provide you with the unintended consequences of caps on rents.

With buildings in Portland we had many under market rents. Many Rental providers keep their rents low as we all work full time jobs (myself included). If we have a tenant that we ' never hear from" often it's just easy to provide/maintain a lower rent in exchange for stability/not having to allocate time to a building or tenant. We take the long view that, over 20 years, the building will be mortgage free and we can still generate income while maintaining lower rents.

However as you know from creating a State Budget, everything goes up, expenses always rise and there is always a need to increase rents.

With rent caps as people move out we look now for one thing only; " highest monthly income"
Evicting someone for non payment costs a couple thousand for legal costs plus the downtime of lost rent - could be 2 months lost income to get the tenant out, plus another two months getting the apartment ready for the next renter.

In one 6 unit building that has completely turned over - all new tenants- the TOTAL TENANT INCOME moved from \$234,000 a year to \$528,000 a year.

rather than take the risk on someone who is making 39k a year, we choose to rent to the nurse, the electrician or plumber making more then double that.

This way, we have the peace of mind knowing the tenant will never miss a rent payment.

Thus, the rent caps stay in place and the rental rate becomes incredibly affordable for the higher income renter. These days, many people want mobility, and do not want to own.

Rent Caps in Portland are backfiring and not serving the purpose they are created for.

Chris Aceto