



Maine Real Estate &
Development Association

Supporting Responsible Development

In Opposition to LD 1534: An Act Enabling Municipalities to Protect Tenants and Stabilize Rents

April 25, 2025

Chair Curry, Chair Gere, and members of the Housing and Economic Development Committee:

On behalf of the Maine Real Estate and Development Association, please accept the following testimony in opposition to LD 1534: An Act Enabling Municipalities to Protect Tenants and Stabilize Rents. MEREDA's members consist of a wide range of people and organizations involved in real estate development in Maine, from architects and contractors to bankers and attorneys to developers and municipalities. Our members work together to support responsible development in Maine.

In October of 2023, the State of Maine Housing Production Needs Study was released, and in that report, it documented Maine's drop in housing production after the Great Recession, combined with an influx of new residents, resulting in an incredibly tight market for housing. Home ownership is no longer considered affordable in most areas of Maine, which has led to a greater need for and cost of rental housing.

In response to that report and other factors, HR&A was commissioned to report back to this committee on potential solutions to the high cost of housing in Maine. That report recommended streamlining processes and incentivizing production. Placing more restrictions on landlords could have the exact opposite effect.

LD 1534 would cap rental increases to the lower of CPI or 5%, not recognizing that property taxes or insurance, two factors completely outside of the control of landlords, could increase by more than the increase in rent in raw dollars, resulting in a net year-over-year loss for landlords. That net loss means that landlords, particularly landlords with smaller portfolios, may not have the cashflow needed to make improvements demanded by the tenants.

LD 1534 would not allow landlords to end tenancies at the end of the lease term without cause as defined in the bill or as further defined by municipalities. This inability for a landlord to make decisions about whether or not to renew a lease essentially forces a landlord into a permanent tenancy and takes away their rights as a property owner. I'll submit that no-cause divorces exist for a reason; so too should no-cause evictions at the end of contractual lease terms.

Furthermore, the potential penalties that could be incurred by a landlord who violates this law could be incredibly significant. I would like you to think about a couple who just bought their first two-unit building. Maybe the building was a little run-down when they bought it, and they've decided to make improvements. If this bill went into effect, they would not be permitted to remove a tenant at the end of the tenant's lease to make those improvements. And if they did evict that

tenant without understanding the law, they could face substantial legal challenges and fees, including private right of action.

MEREDA believes it is possible to make our rental market better for tenants without taking away the property rights of their landlords, many of whom are small landlords with a few units just trying to build a life. Bills like LD 1543 only serve to discourage Maine's landlords and take away their ability to afford to make improvements in our housing stock.

We encourage you to oppose this bill and look toward incentivizing new housing construction rather than hindering it.

Thank you for your consideration of this testimony.

Elizabeth Frazier

On behalf of Maine Real Estate & Development Association

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