THE VOICE FOR REAL ESTATE IN CHICAGO

# Mike McElroy – Public Testimony 6.29.26 – Housing & Real Estate Committee Subject Matter Expert Hearing

Intro: Good morning Chairman Sigcho-Lopez and members of the Housing & Real Estate. My name is Mike McElroy, I am the Chair of the Chicago Association of REALTORS® Public Policy Coordinating Committee, a member of CAR's Board of Directors, and a resident of Bucktown.

Of course today's meeting is all about the "Protecting Renters Ordinance." I want to use my time to offer considerations about the applicability of the ordinance on housing providers of all sizes in Chicago. We also submitted a two-page resource in your materials for review – it's purple and blue for reference.

According to the Institute for Housing Studies at DePaul University, 2-to-4-unit buildings represent 26% of Chicago's housing stock and over 70% in neighborhoods like South Lawndale and Brighton Park. These properties are essential to low-income residents but are most endangered by costly provisions of this ordinance. Already facing rising property taxes, insurance rates, and other operating costs, this ordinance would be "the thousandth cut" that forces neighborhood buildings to be sold to institutional investors.

Even single units being rented to a tenant are affected. Many Chicagoans, for many different reasons, rent out a condo they own to a tenant. We probably all know someone who is in that sort of situation. The ordinance's most expensive and legally hazardous provisions – relocation fees, the Bill of Rights, and the Registry –would apply to these single-unit owners.

And despite the RLTO historically exempting owner-occupied 2-6 flat buildings, these provisions would also apply to these housing types, which are typically locally-owned, and largely-affordable. But those classifications would be threatened by these new mandates.

The most significant updates to Chicago's Residential Landlord and Tenant Ordinance have been shaped through negotiation and stakeholder engagement. REALTORS® have played a collaborative role in forging those compromises. We support safe, stable housing. We support responsible property stewardship. Bad actors should be held accountable. Existing standards should be enforced.

But this ordinance goes far beyond that. It would impose broad new financial burdens on responsible housing providers who are essential to Chicago's neighborhoods, while doing nothing to address the underlying challenge of housing affordability: lack of supply. Economists broadly agree that increasing housing production is the most effective way to reduce costs over time. If Chicago's goal is to be the safest, most affordable big city in the country, it should focus on policies that expand housing opportunities and encourage local investment—not create new barriers that make housing more expensive to provide.