Chicago Association of REALTORS®

THE VOICE FOR REAL ESTATE IN CHICAGO

Erik Schwab Testimony: Committee on Housing and Real Estate 9.16.26

Good morning Chairman Sigcho-Lopez and members of the Committee on Housing and Real Estate.

My name is Erik Schwab. I am here today representing the Chicago Association of REALTORS® and our nearly 16,000 members. I am also a small housing provider here in Chicago. Investing in the neighborhood I live in, in the city I was proudly raised in.

The Chicago Association of REALTORS® opposes the Protecting Renters Ordinance.

I understand firsthand what it takes to provide rental housing in this city. I've experienced how quickly the costs and risks of doing so can add up. I understand personally, the small margins that are left over after the mortgage, the property taxes, trash and water, are all paid.

Recently, I had a tenant whose lease was not renewed. Knowing the challenges for anyone relocating these days, whether they're renters or homeowners, I choose to provide more notice than was legally required.

After receiving the notice, the tenant stopped paying rent for most of the notice period. Repairing the damage and restoring the property to a rentable condition cost nearly $20,000 and took nearly five months; that's five months with no income, but still a mortgage and property taxes to pay. All for a property that rents for less than $2,500 a month.

I share that story because when we talk about the costs and risks of providing housing, it can all start to sound theoretical.
For small housing providers like me, it isn't.

There has been a lot of discussion about PRO exempting small housing providers. But that is misleading. The exemption is based on whether the owner lives in the property, not simply whether someone is a small housing provider. Someone can own one rental property and be treated like a corporate conglomerate.

Chicago already has a Residential Landlord and Tenant Ordinance with extensive protections and remedies for renters. Housing providers have far fewer options when they experience significant challenges like the one I just described. We don't have large portfolios where a $20,000 loss on one property can easily be absorbed. When something goes wrong, that cost comes directly out of our pockets. And those aren't the only costs we are absorbing.

Insurance and maintenance costs all continue to increase. Property taxes will surely be going up to balance the city budget again. PRO adds more costs, and more administrative requirements. Those costs have to go somewhere.

They often leave a property owner having to decide between increasing the cost of housing or deferring maintenance. And they can make small housing providers question whether continuing to provide housing makes financial sense.

Chicago needs neighborhood housing providers. We live here. We invest here. We maintain homes in communities throughout this city and provide an important part of Chicago's housing.

If our goal is housing affordability for everyone, adding more costs and complexity only moves us further away from that goal.

The Chicago Association of REALTORS® opposes the Protecting Renters Ordinance, and we urge the Committee not to advance it. Thank you.