Legislation Text

File #: 230639, **Version:** 0

Authorizing the Committee on Neighborhood Services to hold hearings regarding the business practices of property management companies in the City of Philadelphia.

WHEREAS, Rental properties account for approximately 48% of Philadelphia's housing stock, and the percentage of Philadelphians who rent properties is projected to increase over the next decade; and

WHEREAS, Philadelphia is comprised of both large and small landowners who supply approximately 288,000 rental units for Philadelphia's housing stock; and

WHEREAS, The estimated total number of landlords is approximately 55,000, which is comprised of mostly small businesses and mom and pop landlords; and

WHEREAS, Many landlords, if not most, engage the services of a property management company to manage their properties for them. Pursuant to the Real Estate Licenses and Register Act, passed by the Pennsylvania General Assembly the owners of property management companies are required to possess a real estate broker's license; and

WHEREAS, Property managers owe their clients a fiduciary duty to put its interests as agent before the interests of a landowner; and

WHEREAS, Despite this fiduciary duty, many property management companies do not put the property owner first, and instead are able to overcharge landlords for routine repairs or place the blame on tenants; and

WHEREAS, Property management companies and their owners are in a unique position between land owners and renters and are in a similarly unique position to remedy the many problems plaguing the Philadelphia rental market; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, that it hereby authorizes the Committee on Neighborhood Services to conduct hearings with the goals of (i) understanding the ways in which property management companies affect the Philadelphia rental market and (ii) finding possible solutions to business practices that inhibit fair and equitable rental practices.