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BIAW Offers Amicus Brief to Seattle First-In-Time Suit *Rule Limits Housing Opportunities in Tight Market*

Olympia, WA The Building Industry Association of Washington (BIAW) filed today an amicus brief supporting a suit brought by the Pacific Legal Foundation (PLF), a property rights advocacy group, with regard to the City of Seattle’s “First-In-Time” rule (FIT).

In 2016, FIT was adopted and requires landlords to rent to the first “qualified” rental applicant regardless of the relative qualifications of a different applicant or any other considerations. PLF sued on behalf of several Seattle landlords on several legal bases but asked BIAW to weigh in on the legal and practical impact of FIT on its members.

“The first major problem with the City of Seattle’s legal argument is that it requires reversal of a decades-old legal precedent that struck down a similar regulation,” stated Jackson Maynard, BIAW General Counsel. “The Court held that the right of first refusal goes to the core of property ownership and is a protected legal right. For decades those in the home building industry and others involved in the selling of property have relied upon this ruling and to overturn it now would create a lot of uncertainty in the housing market.”

Another problem with FIT is that it has a lot of unintended consequences that make housing more expensive. “According to the studies in our brief, FIT actually reduces the pool of qualified tenants as landlords are forced to add extremely detailed qualifications. Landlords also face increasing costs in advertising and legal fees, as they attempt to navigate the rules,” added Jackson. “Complying with FIT while trying to get tenants who will fulfill their obligations takes time and money. These costs are, naturally, passed on to tenants who will consequently pay increased rent.”

While larger rental companies may be better positioned to absorb these extra costs, the landlord with one single family property will be less positioned to do so. This will drive out small-scale landlords and reduce supply which is exactly the opposite outcome if the original goal was to make housing more affordable.

It's bad for our industry, and affordable homeownership generally, if core principles of property ownership are undermined and regulation makes landlords less inclined to rent.

“We feel that the City of Seattle should have more carefully considered the impact to housing affordability before it passed the FIT,” concluded Jackson. “This is why BIAW will be participating in this case and hopefully help convince the Court to send FIT back to the drawing board.”

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The Building Industry Association of Washington is the voice of the housing industry as the state's largest trade association with nearly 8,000 member companies employing approximately 265,000 people. The association is dedicated to ensuring and enhancing the vitality of the building industry for the benefit of its members and the housing needs of the citizens. Learn more at: www.biaw.com

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