



TESTIMONY OF THE DC ASSOCIATION OF REALTORS® BEFORE THE COUNCIL COMMITTEE ON HOUSING AND NEIGHBORHOOD REVITALIZATION

Regarding B23-601, Condo Warranty Amendment Act of 2020 and Bill 23-0623:
Condominium Warranty Claims Clarification Amendment Act of 2020

September 17, 2020

This testimony is on behalf of the DC Association of REALTORS®, the state level association representing nearly 3,000, REALTORS®, real estate professional, homebuyers, sellers and homeowners.

Overall, it is of critical importance to DCAR that we keep our housing costs affordable. Currently, we have a massive shortage of affordable housing stock. Unfortunately, the District of Columbia, currently has one of the lowest homeownership rates in the nation, standing at a meek 42%.

Additionally, we have some of the highest housing costs, with our recordation and transfer taxes being amongst the highest in the nation. The average cost of single family housing at this juncture is almost \$600,000. Condominiums, in particular, provide more affordable options.

Any policies that jeopardize our limited housing stock or increase our exponentially high housing costs, concern DCAR. We must balance that with the best interests of those residents who are purchasing these properties.

DCAR understands Bill 23-623, the Condo Warranty Claims Clarification Amendment Act of 2020, is the permanent solution to the emergency and temporary versions that have been in place since the beginning of this year.

We understand Chairperson Bonds has worked with the condominium association and housing developer community to solicit their feedback on the legislation since it has been in place. It is our understanding, as it remains currently drafted, the bill is generally supported, aside from certain minor issues.

Therefore, it would be our recommendation that you move forward on a permanent basis with this legislation that has already been in place.

It is also our understanding that Bill 23-601, the Condominium Warranty Amendment Act of 2020, was an alternative to the previously discussed legislation. DCAR has listened to concerns regarding Bill 23-601. We have heard many concerns about the increased cost on buyers, who are already having a hard time affording the opportunity of home ownership in the District of Columbia.

It has also led to caution amongst smaller housing providers regarding efforts to move forward with projects in DC. If the city loses out on additional housing projects, we will lose many desperately needed units. A pandemic is not a time to put unnecessary costs on building housing, especially when we are seeing increased costs due to additional safety measures and waiting periods that must be followed.

Again, the current housing climate is not one in which we want to discourage good faith housing development. We certainly want to hold those accountable who are not putting safe units on the market. Buyers need to have safe options for housing and taking away additional housing stock is something that gravely concerns DCAR. At this juncture, we are opposed to any legislation that puts unnecessary increased costs on housing.

It is DCAR's recommendation that a work group be formed to review and recommend the best path forward for Bill 23-623. This would allow for any outstanding concerns to be fully vetted and ensure that only one piece of legislation with all proper amendments moves forward. DCAR stands ready to participate and represent the best interests of homebuyers. Thank you for your time and attention to this matter. We look forward to working with you on this important issue.