## LANDLORD-TENANT LAWS AND INDIGENT BLACK TENANTS

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I.

Bad housing is one of the meanest aspects of poverty, and helps perpetuate the poverty cycle. Governments are aware of this fact and ever since the end of World War II have attempted to ameliorate these housing conditions of the poor. Some governmental initiatives have directly provided income transfers, while others have been designed to offer greater economic opportunity. In the housing area per se, some approaches have provided public and/or subsidized housing for indigent Americans in general and blacks in particular, while others have sought to protect these groups by laws regulating landlord-tenant relations. The different approaches remain to be analyzed and evaluated, and this paper is an attempt to do so in relation to landlord-tenant laws, fully recognizing that in recent years they have undergone great change.

As recently as 1980, the time the last census of population was taken, blacks were substantially poorer than were whites and relatively more blacks were ill-housed than whites. Specifically, 37.1% of all black families had incomes of less than \$10,000 and 4.9% of all blacks lived in substandard housing. Comparable figures for whites are 14.2%, and 1.2%, respectively.

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<sup>1</sup> Statistical Abstract of the United States 1982-83, Tables Nos. 713, 1351 (Washington, D.C.: U.S. Government Printing Office, 1983).

For this reason, this paper will pay special attention to the housing problems of black indigents. In fact, many landlord-tenant laws posed since the mid-60's came into being, to no small extent, in response to the civil rights movement. In 1968, the Fair Housing Act was passed by Congress, stating "It is the policy of the United States to provide, within constitutional limitations, for fair housing throughout the United States. Moreover, 3604 declares, "...it shall be unlawful — (a) To refuse to sell or rent after the making of a bona fide offer or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, religion, sex or national origin. Many states have enacted similar acts. Still it is very difficult to prove in many instances that not renting to a black tenant is a race related act.

Judges no doubt were also influenced by the civil rights movement when they gave indigent tenants additional rights. Among them the most influential federal judge was James Skelly Wright, who had been born and raised in New Orleans and in July 1963 had joined the U.S. Court of Appeals in Washington.

Remember that on January 1, 1963, Martin Luther King made his "I have a dream" speech to commemorate the centenniel of the emancipation proclamation. On August 28, 1963, some 200,000 people, black and white from the North and the South, marched on Washington to demonstrate their support for the cause of racial justice. In March, 1964, President Lyndon Johnson declared a "national war on poverty," and in July he signed into law the Civil Rights Act of 1964. During the summers of 1964 to 1976 there were race riots in many American cities, with riots in 127 cities in 1967 alone (James Trager, The People's Chronology, New York: Holt, Rinehart and Winston, 1979, 1096-1108).

<sup>&</sup>lt;sup>3</sup>Civil Rights Act of 1968, Title VIII, 42 U.S.C. §§ 3601 (1976) and Supp. II (1978).

<sup>&</sup>lt;sup>4</sup>Ibid., § 3604.

<sup>&</sup>lt;sup>5</sup>For example, § 12955 of California's Government Code states, "It shall be unlawful: (a) For the owner of any housing accommodation to discriminate against any person because of race, color, religion, sex, martial status, national origin, or ancestry of such person.

In an October 14, 1982 letter to Professor Edward H. Rabin of the University of California, Davis Law School, Judge Wright wrote

Unquestionably the Vietnam War and the civil rights movement of the 1960's did cause people to question existing institutions and authorities. And perhaps this inquisition reached the judiciary itself. Obviously, judges cannot be unaware of what all people know and feel.

With reference to your specific question, I was indeed influenced by the fact that, during the nationwide racial turmoil of the sixties and the unrest caused by the injustice of racially selective service in Vietnam, most of the tenants in Washington, D.C. slums were poor and black and most of the landlords were rich and white. There is no doubt in my mind that these conditions played a subconscious role in influencing my landlord and tenant decisions.

Five years after Judge Skelly Wright began sitting on the U.S. Court of Appeals, he wrote the opinion in Edwards vs. Habib, barring retaliatory evictions and two years thereafter the landmark opinion in Javins v. First National Realty Corporation, establishing the implied warranty of habitability.

Emphasis on indigent black tenants is warranted not only because the civil rights movement greatly contributed to new landlord-tenant laws and in many respects shaped them, but also because these laws were expected to be especially helpful to this group. Remember that so many blacks are poor and subject to discrimination, face an especially inelastic housing demand, and live in sub-standard housing. Consequently, this group is in particular need of protection. What holds for indigent tenants, therefore, holds a fortiore

<sup>&</sup>lt;sup>6</sup>Edward H. Rabin, The Revolution in Residential Landlord-Tenant Law: Causes and Consequences, prepared for Liberty Fund, Inc., seminar on The Common Law History of Landlord-Tenant Law, Law and Economics Center, Emory University, Atlanta, Georgia, March 11, 1983, 39.

<sup>&</sup>lt;sup>7</sup>397 F.2d 687 (D. C. Cir., 1968).

<sup>8428</sup> F.2d 1071 (D. C. Cir., 1970), cert. denied, 400 U.S. 925 (1970).

for black ones.

It is the supposition of this paper that landlord-tenant relations and the laws that regulate them should reflect the special characteristics of the commodity exchanged - housing --, the nature of the exchange -- temporary transfer of rights to a dwelling --, as well as the characteristics of the parties to the exchange. First, we therefore must identify the relevant characteristics of rental housing, of temporal transfer of rights to it, and of indigent black tenants (and landlords). These characteristics must then be related to major landlord-tenant laws in the hope of establishing the manner in which they reflect these special characteristics and the extent to which they accommodate them. Even if we conclude that today's landlord-tenant laws generally reflect these special characteristics, there remains the larger issue of whether these laws effectively serve indigent black tenants. This inquiry can be undertaken with the aid of micro-economic theory and econometric techniques. In case we find that most laws appear at best to do little to improve the welfare of these tenants, an explanation for this discrepancy must be sought. This then is the roadmap this paper will follow.

II

We will briefly point to major characteristics of housing, temporary transfers of rights to a dwelling, and the particular class of tenants with which this paper is concerned.

Rental housing has a number of unusual, if not unique, characteristics, many with important economic implications. Among them are the following --

1. Housing is a "complex commodity" having both stock and flow characteristics. Our main interest is in the latter, i.e., the flow of housing services which have a very large number of distinctive

characteristics. Each of them tends to be evaluated by specific tenants in a different manner, depending on their preference functions.

- 2. Rental housing is a very large item in a tenant's budget and by far the largest in that of an indigent tenant. Because of very high transaction costs involved in moving into another apartment, there usually exist few effective substitutes. Thus, the demand tends to be inelastic with substitutes scarcest and demand inelasticities highest for indigent tenants, minorities and senior citizens.
- 3. Rental housing is particularly vulnerable to quality deterioration as a result of improper repair and maintenance, which lead to substantial future costs, both private and public.
- 4. Housing is a capital good which if properly attended to can have a very long life expectancy. Its construction period also is quite long, often extending over a number of years, particularly if planning, land acquisition and permit issuance are included.

In the temporary transfer of rights to a dwelling by way of a lease, ownership and consumption are separated. Landlord and tenant do not have, for example, a convergence of interests in efficient repair and maintenance, or the level of utilization. Instead, because there is a free rider problem, tenants tend to overutilize and undermaintain their living space and, even more so, such public places as entrance lobbies, elevators and staircases. The damage to the dwelling and the departure from optimum repair and maintenance increases with tenant turnover. Turnover tends to be relatively low for some groups, e.g., senior citizens, and high for others, e.g., young indigent blacks.

Negotiations about the temporary transfer of rights to housing are carried out in the face of great asymmetry in information and bargaining

power. Landlords tend to know much more about a given dwelling than do tenants, an imbalance that increases with the complexity of the modern housing commodity. This is particularly the case if the tenant is indigent, a member of a minority, and/or aged. For this group of tenants, the ability to rent a particular apartment under specified terms is usually a much more crucial event than the leasing of this particular apartment is for by the landlord. This contention has led Peter Martin to point out,

...it should be evident that substantial potential for exploitation exists in the low-income housing market. Persons with limited incomes, especially if they are in large families or of minority race, face a very limited field of choices. Their purchase of housing can in no realistic sense be viewed as the product either of negotiation or effective comparative shopping ...the stakes are unique since housing as a single consumption item commands more than 25% of the total budget for a typical low-income family.

The crucial characteristics of indigent black tenants relevant to this analysis are all too obvious. Being indigent, these tenants suffer from low income which in turn increases the probability that they lack information and bargaining power and are ill-housed. Being black, these tenants tend to suffer from discrimination because of the color of their skin, which reinforces their housing problems by limiting their housing supply.

These two characteristics, however, give signals of significantly different visibleness and robustness. While it is not always easy to detect poverty, blackness gives a signal that can be ascertained at very low cost. Moreover, the law treats poverty and color differently with regard to the protection it extends to these characteristics. Thus, for example, while the court has singled out color as a "suspect" classification requiring the

<sup>&</sup>lt;sup>9</sup>Peter W. Martin, <u>The Ill-Housed</u>, (Mineola, NY: Foundation Press, 1971), 1017.

application of a "strict scrutiny" standard, it has not done so in relation to indigency. Still, it would be a mistake to assume that in landlord-tenant relations the treatment of race as a suspect classification assures tenants of minority races effective protection.

## III

Many states and local jurisdictions today have one or more of the following laws regulating landlord-tenant relations --

- o habitability laws
- o rent control laws
- o anti-conversion and anti-demolition laws
- o anti-speedy eviction laws together with restrictions on landlords' use of self-help
- o anti-discrimination laws with regard to race, religion, and national origin as well as age
- o just cause eviction laws
- o retaliatory eviction laws.

These laws are of reasonably recent vintage, and mainly made their appearance since the end of World War II. They are often considered to have tilted the relationship in favor of tenants. In recent years courts have not only provided increasing protection to tenants, but also made it easier to obtain such protection. For example, while until recently courts required the existence of a crisis or of extreme exigent circumstances to justify rent control, in some states this requirement has been relaxed. The California Supreme Court, in <u>Birkenfeld v. City of Berkeley</u>, declared that it "is now settled California law that legislation regulating prices or otherwise restricting contractual or property rights is within the police power if its

operative provisions are reasonably related to the accomplishment of a legitimate governmental purpose."10

We lack space here to discuss the features of the different landlordtenant laws. Summaries are readily available. We will merely mention that
as landlords take steps to mitigate the effects of some of these laws,
jurisdictions tend to counter by imposing complementary landlord-tenant
laws. For example, a "first generation" rent control ordinance, i.e., one
which allows little, if any, pass-through of landlords' cost increases, tends
to result in the imposition of anti-conversion and anti-demolition laws. In
their absence, landlords will tend to convert their residential rental
property into condominiums or cooperatives, or possibly demolish the structure
and replace it with a different, uncontrolled investment.

Likewise, jurisdictions with "second generation" rent control laws, when they also provide for vacancy decontrol, have found it necessary to enact just-cause eviction ordinances. Without such ordinances, landlords are inclined to speed up tenant turnover by a variety of devices and thus negate the intent of the rent control law. Finally, in the presence of habitability laws which provide for repair and deduct or withholding remedies, retaliatory eviction laws tend to be enacted in order to protect tenants from being

<sup>&</sup>lt;sup>10</sup>17 CAL. 3d 129-158 550 P. 2d 1001, 1022, 130 CAL. RPTR 465, 486 (1976).

<sup>11</sup> Examples are Werner Z. Hirsch, "Landlord-Tenant Relations Law," in The Economic Approach to Law (Paul Burrows and Cento G. Veljanovski, eds.)
(London: Butterworths, 1981), 272-306; Werner Z. Hirsch and Joel G. Hirsch, "The Changing Landlord-Tenant Relationship in California: An Economic Analysis of the Swinging Pendulum," Southwestern University Law Review, 1983, 14, 1-43; and Edward H. Rabin, op. cit.

evicted after they complained to the authorities about code violations. 12

ΙV

Let us inquire next whether, and if so to what extent, specific landlord-tenant laws are reflective of characteristics of housing and the temporary transfer of rights to the housing of indigent tenants in general and black ones in particular. For example, the fact that housing is a complex commodity and information about it is asymmetrical are already recognized in <u>Javins v. First National Realty Corporation</u> and are reflected in the extension of the implied warranty of habitability. A few years later, in <u>Green v. Superior Court</u>, the California Supreme Court declared that "the increasing complexity of modern apartment buildings...makes adequate inspection of the premises by a prospective tenant a virtual impossibility; complex heating, electrical and plumbing systems are hidden from view, and the landlord, who has had experience with the building, is certainly in a much better position to discover and to cure dilapidations on the premises." Other examples are Lemle v. Breeden Himmel v. Chase Manhattan Bank. 16

The fact that housing has few substitutes and has a low demand elasticity is given expression in habitability, anti-discrimination, rent control and anti-speedy eviction laws. For example, the California Supreme Court held in

<sup>12</sup> Examples are Edwards v. Habib, op. cit., and Robinson v. Diamond Housing Corporation, 257 A. 2d 492 (D.C. 1969).

<sup>13</sup> Javins v. First National Realty Corporation, op. cit.

<sup>14</sup> Green v. Superior Court, 10 Cal. 3d 624 (1970).

<sup>&</sup>lt;sup>15</sup>462 P. 2d 470 (Hawaii, 1969).

<sup>16</sup>Civil Court of the City of New York, New York County (1965). 47 MISC.
2d 93, 262M. Y. S. 2d 515.

Green that "...[E] ven when defects are apparent, the lower income tenant frequently has no realistic alternative but to accept such housing with the expectation that the landlord will make the necessary repair". 17

The same is by and large true in relation to the fact that indigent tenant's bargaining power is inferior to that of their landlords. Thus habitability, anti-discrimination and rent control laws all appear to be responsive to this imbalance. For example, Judge J. Skelly Wright held in Javins

The inequality of bargaining power between landlord and tenant has been well documented. Tenants have very little leverage to enforce demands for better housing. Various impediments to competition in the rental housing market, such as racial and class discrimination and standardized form leases, mean that landlords place tenants in a take it or leave it situation. The increasingly severe shortages of adequate housing further increases the landlord's bargaining power. It

Likewise, the <u>Green</u> court held that "[T]he severe shortage of low and moderate cost housing has left tenants with little bargaining power..." And the <u>Green</u> court went on to decree that "public policy requires that landlords generally not be permitted to use their superior bargaining power..." 20

Certain characteristics appear to have been neglected by some landlord-tenant laws. For example, rent control laws tend to disregard the complexity of the housing commodity by legislating a more or less fixed price across tenants and over time. Rent controls do not appear to recognize that different tenants — potential and actual — can value the various housing

<sup>17</sup> Green v. Superior Court, op. cit. 625.

<sup>&</sup>lt;sup>18</sup>428 F. 2d 1076 (D.C. Cir. 1970).

<sup>19</sup> Green v. Superior Court, op. cit., 625.

<sup>20&</sup>lt;u>Ibid.</u>, p. 625, fn. 9.

characteristics imbedded in a particular flat differently and do so particularly at different points in time. As a result, welfare losses are common.

Likewise, little attention is paid by most of these laws to the fact that if repair and maintenance is deferred, rental housing will deteriorate and produce unacceptable living conditions, i.e., constitute a threat to the health and safety of the community. Habitability laws are an exception. For example, Section 2101 of the District of Columbia Housing Regulations, states, "...residential buildings and areas within said Districts which are slums or are otherwise blighted...are due, among other circumstances, to... dilapidation, inadequate maintenance...

"The Commissioners, accordingly, promulgate these regulation for the purpose of preserving and promoting the public health, safety, welfare and morals." 21

Likewise, § 1941 of the California Civil Code declares that "[t]he lessor of a building intended for occupation of human beings must, in the absence of an agreement to the contrary, put it into a condition fit for such occupation, and repair all subsequent dilapidations thereof, which render it untenable..."22

Finally, a review of landlord-tenant laws reveals that virtually none is reflective of the fact that housing is a capital good requiring long construction periods and having long life expectancies.

<sup>&</sup>lt;sup>21</sup>Housing Regulations, District of Columbia, § 2101. August 11, 1955.

<sup>&</sup>lt;sup>22</sup>California Civil Code § 2101.

This brief review of how certain present day landlord-tenant laws reflect the special characteristics of rental housing for indigent tenants, will now be followed by an inquiry into the effects of these laws on the overall welfare of landlords and tenants. The purpose is to determine the extent to which these laws tend to contribute to the welfare of landlords or indigent tenants or both, and if not why not.

Toward this end, anti-discrimination, habitability, retaliatory eviction, anti-speedy eviction, and rent control laws will be examined. Since all these laws transfer property rights from landlord to tenant, they are not expected to increase the welfare of landlords. But what about their effects on the welfare of indigent black tenants? To answer this question, we will summarize some recently completed studies.

We clearly should start with anti-discrimination laws, though we are not aware of econometric studies on this subject. There exists empirical research that indicates that black tenants pay significantly higher rents than whites for equivalent housing. Robert Schafer found a 13.5 to 515.6 percent difference in Boston ghettoes and 8.0 to 51.0 percent in white suburbs. 23 However, there is no research that estimates the welfare effects of anti-segregation laws. However, there is evidence that these laws are often difficult to enforce, and to the extent this is the case a major favorable welfare impact is unlikely.

With regard to how habitability, retaliatory eviction, and anti-speedy eviction laws have affected the welfare of indigent black tenants there exists

<sup>&</sup>lt;sup>23</sup>Robert Schafer, "Racial Discrimination in the Boston Housing Market," Journal of Urban Economics, 1979, 6, 176-196.

a study covering 37 geographical regions in America's large Standard Metropolitan Statistical Areas (SMSAs) in the mid 1970s. 24 These SMSAs account for about one-sixth of the U.S. population. For the purposes of this analysis, hedonic rental housing price functions were estimated to obtain shadow prices and quantities. In these equations, 33 housing quality variables were used. The resulting price and quality estimates were introduced into a demand and supply rental housing model of indigent black tenants. This large sample of indigent black tenants in large SMSAs in the mid 1970's revealed that neither repair and deduct, withholding nor retaliatory eviction laws had a statistically significant effect on the welfare of these tenants. Only receivership laws had a statistically significant welfare effect, which, however, was adverse. Specifically, the vertical supply function shift (upward) resulting from the presence of a receivership law was about three times as large as the corresponding demand function shift. The relative shifts of these functions differed significantly on the basis of a Fisher F-test.  $^{25}$  Finally, anti-speedy eviction laws were found to have no statistically significant welfare effects. Thus, while habitability, anti-speedy eviction and retaliatory eviction laws can be argued to reflect the facts that for indigent black tenants there are few substitutes for any particular apartment, and that they have limited bargaining power,

<sup>24</sup>Werner Z. Hirsch, "Effects of Habitability and Anti-Speedy Eviction Laws on Black and Aged Indigent Tenant Groups: An Economic Analysis," International Review of Law and Economics, 1983, 3, 121-135.

 $<sup>^{25}</sup>$ The receivership law's net regression coefficient in the demand function is 0.069 (t = 1.45) and that of the supply function is 0.24 (t = 2.89). the Fisher F-value is 2.73 which indicates that statistically, at the 10% level, the two net regression coefficients differ significantly. (For detail on the Fisher F-test see Franklin M. Fisher, "Tests of Equality Between Sets of Coefficients in Two Linear Regressions: An Expository Note," Econometrica, March 1970, 38, 361-366.

nonetheless these laws did not effectively improve the lot of this group.

Let us finally turn to a review of research on the effects of rent control. Peter Rydell, et al. has built a model which permits an analysis of both price and quality effects of rent control, using a hedonic approach to housing services. <sup>26</sup> If a landlord charges the market rent for a dwelling embodying a certain quantity of housing services, rollback of rents means that the landlord is now not being paid for the entire amount of services he supplies. For example, if rent is controlled at a price 5% less than what a free market would bring, the landlord is only receiving payment for 95% of what he offers. He will be motivated, therefore, to reduce the quantity of services he supplies to a level for which he is paid. The consequence is housing deterioration.

Rydell et al. found that after rent control was in effect for 4 years in the City of Los Angeles, rents of controlled dwellings were about 4% lower than they would have been without rent control. However, the price of rental housing services was estimated to be only 3.2% lower than it would have been in the absence of rent control, while the quantity of rental housing services was 1.5% lower. A temporal analysis indicated that rental housing services would only slowly return to their previous level after abolition of rent control.

Thus, rent control was found to confer its benefits early and extract its costs late. Initially, nearly all rent reduction tends to go into price reductions. Later, however, undermaintenance sets in, resulting in a reduction in housing service quantities and, eventually, deterioration.

<sup>26</sup> Peter Rydell, et al., The Impact of Rent Control on the Los Angeles Housing Market, N-1747-LA (RAND Corporation, August 1981), 145 p.

According to the Rydell study, each year 8% of the remaining relative price reduction caused by rent control is converted into relative quantity reduction. Moreover, the tighter the rent control law, the larger the quality deterioration.

These quality implications of rent control are supported by a doctoral dissertation by one of my students. David L. Mengle worked with 8 cities for which the Annual Housing Survey had collected data since 1973 in two successive time periods. Boston, Newark, Paterson-Clifton-Passaic, and Washington, D.C. had rent control ordinances during this period, whereas Detroit, Minneapolis-St. Paul, Philadelphia, and Pittsburgh did not. Using a sample of 2,786 indigent tenant households and a hedonic housing service approach, Mengle estimated that, insofar as low income tenants are concerned, the presence of rent control was associated in 1974 with a 7.2% decrease in housing quality, while in 1977 it was associated with a 13.9% decrease. Thus, housing deterioration was 18.6% in 1974 and 26.6% in 1977. Thus, housing deterioration resulted from rent control and it became increasingly serious, the longer controls were in effect.

In summary it can be said, therefore, that rent control ordinances have resulted in the deterioration of rental housing for indigents in general and most likely for indigent blacks as well. These laws have induced landlords to unduly defer the upkeep of their property, often resulting in serious

Analysis of the Effect of Second Generation Rent Controls on the Quality of Rental Housing, Ph.D. dissertation (on deposit at the Library of the University of California, Los Angeles 1983), pp. 45 and 71.

 $<sup>^{28}\</sup>mathrm{The}$  estimates for black indigents were especially made by David Mengle for the purposes of this paper.

misallocation of resources. Moreover, the chilling price effect of rent control has reduced the construction of rental property. In an industry with heavy capital investments, long production periods and a long life expectancy of the commodity, external constraints on landlords' ability to freely set rents can be expected to reduce the supply of new rental housing. This will sooner or later affect the supply of low cost housing. Even though new apartment houses tend to be of a quality and price beyond the means of indigents, new construction leads to a filtering down of rental units, a phenomenon that ultimately benefits indigent tenants.

VI

Our tentative conclusions, thus, are that while landlord-tenant laws have become so common, they seldom appear to enhance the ultimate welfare of indigent tenants in general and that of blacks in particular. In part this is due to the fact that some of these laws do not take sufficient account of key characteristics associated with the renting of housing by indigent tenants. This holds particularly for rent control ordinances. The characteristics most often neglected are that rental housing is a capital good with a long construction period and life expectance, and that it is especially vulnerable to costly quality deterioration. Only a few laws pay little attention to the fact that housing is a complex commodity.

Even those laws that do take account of the key characteristics of housing and its renting by indigent tenants commonly fail to contribute to their wellbeing. This result leads to the conclusion that laws reflective of the key characteristics of housing and its exchange help meet a necessary, but not a sufficient, condition toward the goal of enhanced welfare of indigent tenants.

A second reason why these laws make at best only a limited welfare contribution is that some are difficult to enforce. For example, anti-discrimination laws are easily avoided by landlords and many housing codes frequently are not enforced for fear that owners might abandon buildings in need of repair. The latter is particularly likely to occur in jurisdictions with rent control.

A further reason relates to the fact that landlord-tenant laws are regulations issued by government but not accompanied by income transfers. Without subsidies, they seldom enhance the welfare of indigents, with habitability laws a good example.

Finally, such laws as rent control and anti-speedy eviction can protect and benefit only sitting tenants, but not tenants as a group, and especially not in the long run.

Why then are landlord-tenant laws so common, even though they seldom enhance the ultimate welfare of indigent tenants? Perhaps a major reason is that they are a reaction to the earlier excessive dominance by landlords. But as so frequently happens under such circumstances, the pendulum has swung too far.

A second possible reason is that many of these laws tend to award politicians with major short-term political advantages, a consideration which all too often tends to be their dominating concern. Sitting tenants are convinced that rent control keeps down their rents; anti-discrimination laws offer minorities hope for finding housing; anti-conversion, anti-demolition, anti-speedy eviction, retaliatory eviction and just cause eviction laws promise continuing tenure; and habitability laws promise improved housing quality. These steps merely require politicians to enact regulations; they do not require any new public expenditures and therefore higher taxes. Moreover,

many of those who immediately benefit are voters in their districts, while those who are kept out by these laws often cannot vote.

Finally, and this holds particularly for periods of inflation, excess demand for low-cost housing and highly visible and well-publicized inequities and suffering induce government to act precipitously, regardless of long-term consequences. How can lawmakers sit still when apartment houses appreciate 20-30% a year, landlords raise rents of indigent blacks by 50-100%, and/or force elderly tenants out of their apartments so they can be converted into profitable condominiums? Law makers are likely to act under these circumstances, even if the last two events are very infrequent occurrences.

In conclusion, there exists substantial evidence that recent expansive changes in landlord-tenant laws designed to improve the welfare of indigent tenants in general and blacks in particular have failed to do so. Their strong emotional and political appeal, however, is unlikely to lead to major corrections in these laws or to their abolishment.