

WHEREAS, RentBerry and similar services like Biddwell are apps that allows landlords to auction off appartments to renters, instead of selling them in a traditional face to face sale at a set asking price [1]; and,

WHEREAS, these kinds of auctioning apps profit by providing a higher price to landlords than the landlord would have received otherwise; and,

WHEREAS, the cost of housing is a significant part of the cost of education, especially for international students and transfer students; and,

WHEREAS, apartment values are already high, forcing some students into homelessness; and,

WHEREAS, the City of Seattle has declared a state of emergency because of the high rate of homelessness here; and,

WHEREAS, in their initial advertising to landlords RentBerry claimed that rents would rise 5% on average due to the auction system (they have recently walked back on that claim for public relations reasons) [2]; and,

WHEREAS, over the company's short tenure so far, rents of units auctioned via the startup have increased around 5% (relative to traditional face-to-face sales) in competitive markets like San Jose and San Francisco, [3] while dropping in some uncompetitive markets; and,

WHEREAS, Seattle is one of the most competitive housing markets in the nation; and,

WHEREAS, Past studies in New Zealand, [4] England [5], New Jersey [6] and Australia [7] have shown consistently that auctions of housing or apartments yield higher prices than traditional sales; now therefore,

BE IT ENACTED BY THE ASSOCIATED STUDENTS OF THE UNIVERSITY OF WASHINGTON STUDENT SENATE:

THAT, the ASUW calls on the city of Seattle to ban the setting of apartment rents and selection of tenants by auction through online bidding services within its borders; and,

THAT, the Office of Government Relations and the Legislative Steering Committee include support for such a ban in their 2017-2018 ASUW Local Legislative Agenda; and

THAT a copy of this resolution be forwarded to ASUW Seattle Office of Government Relations
Local Legislative Liaison: Leah Haberman, ASUW Seattle Office of Government Relations
Legislative Programming Coordinator: Kalani Tissot, the Seattle City Council, Mayor of Seattle
Tim Burgess, ASUW Seattle President: Osman Salahuddin, and University of Washington
President: Ana Mari Cauce

References:

1: Jones, R. (2017). Gizmodo.com. Retrieved 10 May 2017, from
<http://gizmodo.com/bidding-website-rentberry-may-be-the-startup-of-your-ni-1793940693>

2: Moffitt, M. (2017). SF startup lets would-be tenants bid for apartments. SFGate. Retrieved 10 May 2017, from
<http://www.sfgate.com/technology/article/SF-startup-seeks-to-auction-off-rental-apartments-7467415.php>

3: Wadsworth, J. (2016). Property Auction Startup Rentberry Angers Tenants. San Jose Inside. Retrieved 10 May 2017, from
<http://www.sanjoseinside.com/2016/07/20/property-auction-startup-rentberry-angers-tenants/>

4: Dotzour, M., Moorhead, E., & Winkler, D. (1998). The Impact of Auctions on Residential Sales Prices in New Zealand. *Journal Of Real Estate Research*, 16(1), 57-72. Retrieved from
<http://aresjournals.org/doi/abs/10.5555/rees.16.1.803550373kr7t004?code=ares-site>

5: Lusht, K. (1996). A Comparison of Prices Brought by English Auctions and Private Negotiations. *Real Estate Economics*, 24(4), 517-530. <http://dx.doi.org/10.1111/1540-6229.00702>

6: Ashenfelter, O., & Genesove, D. (1992). Testing for Price Anomalies in Real Estate Auctions. *National Bureau Of Economic Research*, (4036). <http://dx.doi.org/10.3386/w4036>

7: Lepone, A., Frino, A., Mollica, V., & Vassallo, A. (2010). The Impact of Auctions on Residential Sales Prices: Australian Evidence. *Australasian Accounting, Business And Finance Journal*, 4(3), 3-22. <http://dx.doi.org/10.2139/ssrn.1665933>