



Tenant Representation Pilot Project
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To: Chair Marc Mihaly and House Committee on General and Housing
From: Jean Murray, Senior Housing Attorney, Vermont Legal Aid
Date: February 5, 2026
Re: H. 772, H.756, H.688, H.440, H.399

Immediate problem: Vermont’s Housing Crisis.

Vermont is experiencing a Housing Crisis. Vermont does not have enough permanent residential housing; Vermont does not have enough affordable housing. Housing stability has been shaken because low availability has caused rents to skyrocket. Vermont’s per capita homeless population is fourth highest in the nation. There are barriers to exiting homelessness. Rather than welcoming new households to Vermont’s economy, Vermont is losing population.

Thirty percent of Vermont households depend on a fair rental housing market that fosters availability and affordability, this Committee is considering whether changes in the law would support housing policies that address any of these challenges.

What is the policy of current Landlord- tenant law and does it still work ? The bills before the Committee propose changes to the Residential Rental Agreements Act, enacted in 1986, to codify the common law property rights of landlords and tenants. The Vermont Supreme Court wrote about the legislative intent: “[The legislature] expressed its desire to protect the state’s tenant population from unscrupulous and recalcitrant landlords, while striking a fair balance between the rights of landlords and tenants.”¹

But here's the critical question: does that 1986 balance still exist?

The balance between landlords and tenants in 1986 depended in part on availability of housing. Then, the vacancy rate was a healthy 7%. Today? The vacancy rate is only 2.7%, only 1% in Chittenden County. When housing is scarce, the housing rights balance tips in favor of landlords, because tenants must take the housing they can find, even if lease terms are not fair, even if repairs have been neglected.

Who Has a Stake in how landlord-tenant law affects Vermont’s Housing Crisis

The stakeholders in Vermont’s rental market and eviction laws are private landlords and owners, including the subset of management companies, and Tenants, Human service providers, and Courts, as well as the interests of all Vermont taxpayers, employers, businesses, communities, schools, health care providers.

¹ Willard v. Parsons Hill P'ship, 2005 VT 69, 178 Vt. 300, 882 A.2d 1213 (2005) citing Hearing on H.339 Before House Judiciary Comm. 40–43, 1985 Bien. Sess. (Vt. Aug. 21, 1985) (discussing *Hilder* in the context of then-pending warranty-of-habitability legislation)

The vast majority of Vermont landlords don't go to court to evict tenants.

Vermont's eviction rate is 2.7%. Most evictions, over 72%, are for non-payment of rent. And increasing number, around 22% are for no cause, where the tenant is not at fault. Tenant breach/violation is around 7%, and most of those are not for unsafe behavior.

Landlords and Owners: How Are They Doing?

About 65,000 of Vermont's approximately 80,000 long term rental units are owned by private landlords and owners² Private ownership includes corporate ownership, and the rising number of Vermont's investor-owners³ Most private landlords and owners invest in property with the goal of gaining equity. There are two main ways to gain equity from owning rental property: the appreciation in value in property, and a revenue stream, from rent, to meet the expense of maintaining property while it increases in value. The goal is to profit from investment.

Most private Landlords and owners are doing fine.

Landlords and owners are meeting their goals and making a profit. According to Vermont Realtors.com, the same number of multifamily homes were purchased in 2024 as there were in 2020 with sales spiking in 2021 and 2022. These sell fast; the days on market decrease, even while prices in 2025 have increased 71% since 2020.

Foreclosure filings are at the lowest rate in a decade. Non-residential (business) foreclosures are non-existent. Vermont has the lowest number of bankruptcy filings, and among the lowest per capita bankruptcy filings.

Landlords and owners are not getting out of the market and are not failing. Marketwise, there is no problem to solve for landlords.

A subset of "owners" are management companies, and management businesses have the same goals as other businesses – to make a profit. Management companies manage both private for-profit housing, and housing developed with public money where a percentage of that housing is meant to be available and affordable to lower-income Vermonters.

Here's what should trouble this Committee: A significant percentage of evictions are by companies managing affordable housing for non-payment of rent. We don't know the exact percentage because no one keeps that data, but my estimate is 20-30% of all evictions. Most of those evictions are for non-payment of rent.

And here's the kicker: Management companies often refuse to participate in back rent assistance programs, even when back rent assistance would reduce their expenses and give them the revenue they seek.

Read that again. These are companies managing housing built with public money specifically to have more affordable rents for low-income people. Still, those tenants are still cost-burdened and get behind. There are programs funded by Vermont taxpayers to help tenants pay back rent. And the management companies refuse to participate—choosing eviction instead.

² There soon will be 80,000 rental units in Vermont. 7282 Project based 7200 HCV = 11982, which leaves 65,518 privates owned. (Kathleen Berk Nov testimony said 7200 HCVs; HNA said 2700 HCV are used as project-based vouchers. It could be that an additional 7000 were developed with public money LITHC.

³ <https://vtdigger.org/2022/09/05/percentage-of-vermont-homes-bought-by-investors-surged-in-2021/#:~:text=For%20years%2C%20investors%20had%20a,by%20the%20low%20interest%20rates.>

Cost of Evictions. Landlords and management companies point out that evictions are expensive. Most want the law to be changed to bring down their costs. Are time and money costs out of line? No. Vermont Judiciary reports show that 78% of civil cases are resolved in less time than the Judiciary’s goal.⁴

Vermont’s eviction filing rate is about 2.3%.⁵ The eviction filing rate is low, perhaps because the expense of eviction prompts landlords to seek other solutions. If that expense was reduced, there would be less disincentive to file evictions. Many businesses manage the risk of expense through insurance and other mechanisms. Landlords could do the same. Landlords could also participate in programs funded by Vermont: landlords could work with tenants to access back rent funds and subsidies, could provide or work with housing retention workers to help tenants get services and to resolve neighbor disputes with transfer and support rather than eviction.

Security issues caused by “bad tenants.” Some landlords and management companies have difficulty managing security issues. Real security issues can be managed by security protocols, and the cooperation of law enforcement. The due process rights of all tenants do not have to be attacked to manage this risk.

How are Tenants Doing? Tenants want a secure place to live that fits their needs to be close to work, school, medical care, and other benefits of living in their home community.

Rent is unaffordable Since 2021, median rent has increased 137%, compared to a 72% increase in median household income.⁶ Half of Vermont’s renter households pay more than 30% of their income for rent. Home buying is out of reach for renters and people moving to Vermont.⁷

Rental housing is unavailable Extremely low vacancy rates mean that tenants in housing that is too expensive or poorly maintained have no place to move. Ten percent, 10%, of all evictions are of households at poverty-level income, are by private landlords for no cause.⁸

Rental housing is not stable. Marketwise, tenants and newcomers to Vermont can’t meet their goals of finding decent affordable housing. They have to take what landlords offer, including junk fees, uninsulated walls, deteriorated conditions.

Vermont’s system of assuring rental housing quality is thread bare. Only a couple of towns require Occupancy permits, elsewhere, landlords can rent sub-standard housing, as long as no one calls Department of Public Safety for an inspection.

When rents went up and vacancy went down, tenant bargaining power became non-existent. People are being dissuaded from coming to Vermont because Vermont can’t offer

⁴ The data doesn’t break out eviction cases from the rest of civil data; the Judiciary’s goal from filing to disposition for eviction cases is 180 days.

<https://www.vermontjudiciary.org/sites/default/files/documents/FY25%20Annual%20Statistical%20Report%20122325.pdf>

⁵ <https://civilcourtdata.lsc.gov/data/eviction/vermont>

⁶ HNA, p48. Today, only 6% of Vermont’s renter population could afford a median-priced home. In 2020, 32% could.

⁷ HNA, p.68

⁸ VLA/LSV HELP project data from statewide eviction defense project SFY22-25 that reviewed and helped tenants with half (approximately) of 5000 evictions filed during those three years.

security to tenants. How does this help the governor's goal of encouraging people to come to Vermont?

Human Service providers cannot meet the needs of people seeking to exit homelessness.

Human Service providers are funded in large part by the State of Vermont to help households meet their housing needs. They don't have enough funding. They identify barriers to obtaining permanent housing for their clients: lack of affordability, overcoming screening barriers, and inability to meet the expense of application fees, security deposits and moving costs.

Vermont Judiciary

Vermont's Judiciary allocates the resources it has to the goal of ensuring the laws are applied fairly to both parties. Often, the Judiciary does not have the resources to meet these goals in as timely a fashion as some parties would desire. Vermont judiciary does not have the resources to support an [Eviction Diversion](#) program, which would require parties seeking eviction to have exhausted all alternatives before proceeding with eviction. Eviction diversion would ultimately reduce case backlogs, increase settlements, and most importantly, reduce homelessness—protecting vulnerable people and saving the state money.

How do these bills Address Vermont's Housing Crisis Needs?

Mostly, H. 772, H. 688, H.756 would make Vermont's Housing Crisis worse. H. 399 and H. 440 propose solutions to problems caused by the housing crisis.

Bills Supporting housing affordability. H. 399, H. 440, H. 772

- limit rent increases.
- limit amount of security deposit
- prohibits application fees for credit check
- funds VSHA back rent program

Bills making housing less affordable H. 772, H.756

- allows credit check fee for application to rent
- imposes duties and criminal activities on landlords to notify law enforcement

Bills removing barriers to exiting homelessness H. 399, H. 772

- prohibits application fees for credit check
- adds rental registry,
- limit amount of security deposit
- Adds positive rental payment program
- provides for expungement of eviction records; provides for confidentiality of eviction records.

Bills strengthening Housing stability. In sum, these provisions support tenant's right to housing. H. 399, H. 440, H. 772

- Limit no cause eviction.

- Limit rent increases.
- Fund VSHA's back rent program
- Promote Mediation
- Tenant right to counsel.⁹
- Failure to repair is defense to non-payment eviction
- Rental registry,
- Standard requirements in all rental agreements
- Tenant right to purchase Program

Bills weakening Housing stability In sum, most of the provision in H. 688, 756, and 772 seek to shift the balance toward landlords by attacking a tenant's substantive due process right to live in their home and removing tenants procedural due process rights.

- Eliminates tenant's right to receive notice of termination of tenancy
- Allows Landlord to change terms of lease without tenant agreement.
- Denies tenants and landlords the right to a jury trial.
- Unconstitutional SHOW CAUSE process for "criminal activity, etc." allegations.
 - Hearing in seven days.
 - Landlord does not need to prove violation; tenant needs to prove they didn't violate.
 - For "criminal activity" terminations, eliminates Landlord need to provide admissible evidence of tenant violation.
 - Affidavit of "reasoning behind termination" attached to termination notice can be relied on as evidence of violation.
 - Tenant would have to demonstrate need for live witnesses.
- Makes default judgment easier and faster by reducing the time for tenant to file formal Answer in court and avoid a default judgment from 21 days to 5 or 7 days
- Shortens number of days' notice given to all tenants before the termination date of their tenancy. H.688 and H. 772

Non-payment	14 to 7
violation/breach	30 to 21
criminal/drug	14 to 3
no cause no written lease	60/90 to 30
no cause written	30/60 to 30
government order	0
tenant self-termination	0
- Adds grounds for eviction:
 - human trafficking

⁹ 84% of landlords have lawyers. Less than 12.6% of tenants have lawyers.
<https://civilcourtdata.lsc.gov/data/eviction/vermont>

- interference with health and safety
 - Access violation; no penalty for landlord for Access violation
 - government order
 - tenant self-termination
- Tenants have to swear under oath to Answers; Landlords don't have to swear to facts in Complaints. H. 772
 - Restricts tenant ability to pay back rent and keep tenancy H. 772

The Housing Crisis requires Tenant Protections to achieve Housing stability and should not punish Tenants for the unaffordability and unavailability of Rental Housing.