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Massachusetts' Newest Eviction Law Will Scare Away New Housing

System Too Easily Gamed by 'Professional Tenants'

By Oleg Uritsky | Special to Banker & Tradesman | Oct 26, 2025



Oleg Uritsky

Massachusetts' housing shortage and soaring rents are being exacerbated by the commonwealth's extreme eviction laws, which have long driven away national investment and punished landlords. New legislation that allows tenants to seal records of prior evictions has made a bad situation even worse, and destructive to the rental market.

The housing deficit numbers are stark. An analysis prepared for the former Baker administration found that Massachusetts needs 200,000 new residential units by 2035 to meet demand. In a state with 3 million housing units in 351 municipalities, that is more than ambitious.

The impact of the shortage is real for the Massachusetts economy. Four-fifths of Massachusetts Business Roundtable members say the issue influences whether they grow or shrink their footprints in Massachusetts.

Ordinary citizens see it, too. In a survey conducted by MassINC last March, more than 90 percent of voters identified the cost of housing as a problem.

In February, Gov. Maura Healey [announced](#) a housing plan calling for 222,000 units over the next decade. Creating that number of units will have to involve building multi-unit dwellings, many of which will be rental units. To make that a reality, developers will need access to national funds.

This is where Massachusetts' eviction laws have, for years, contributed to curbing growth.

Mass. Laws Seen as Risky

The conversations I have at real estate conferences all over the country are consistent: Institutional investors seeking to finance residential projects view Massachusetts as too risky.

Bankers and fund managers consider the risk profiles of different marketings competing for their capital and cross Massachusetts off the list before the conversation even begins, shifting their attention to states that are safer commercial investments.

Today, risk profiles for Massachusetts are flashing red. Industry publications rank Massachusetts among the [“10 worst states to be a landlord,”](#) citing “nightmare” eviction rules.

Those “nightmare” rules make every unit a potential five-figure liability, if a tenant decides to abuse a system that is easily gamed. One of Boston’s public radio stations, WBUR, covered a situation in [Rockland involving \\$80,000](#) in unpaid rent across two years.

This was the situation even before [the eviction sealing legislation](#), which took effect this past May, made it worse.

New Eviction Law Easily Abused

The new law further distorts the market by allowing tenants to seal records of their prior evictions, hiding that information from prospective future landlords. This means landlords and tenant-screening services cannot see whether an applicant has repeatedly defaulted on rent, caused property damage, or committed other violations of a prior rental agreement.

It’s important to realize that this law encourages, and even creates, people whom the media refer to as [“professional tenants”](#) who “make a living by taking advantage of property owners.”

Instead, eviction records can now be sealed immediately after the case is dismissed, regardless of the circumstances that led to the dismissal. That includes so-called “cash for keys” situations where a strapped landlord is coerced to pay an unscrupulous tenant just to get rid of them and regain access to their own property.

Some would define that as extortion, but some landlords have no choice but to agree to it because the legal process for evicting a bad tenant is lengthy and costly.

And even if a landlord initiates legal action against a nightmare tenant, if the renter leaves before any court judgment is reached, often through one of these “cash for keys” settlements, the eviction is still eligible to be sealed.

The result: Landlords, large and small, are left blind to serious risks a potential tenant may pose.

This is particularly devastating for working-class people and small landlords trying to build wealth by owning duplexes, triple-deckers or a rental apartment. One nightmare tenant can ruin them.

We Need to Find a Middle Ground

If a state law were enacted that hid past automobile repossessions and defaults from car dealerships, what dealer would ever choose to open a showroom in Massachusetts? Those already here would be incentivized to relocate across state lines.

But we now subject property owners to analogous risks. And national real estate investors will continue to view Massachusetts rental developments as too great a risk.

The ranking minority member of the Massachusetts Legislature's Joint Committee on Housing, Rep. David DeCoste, has [submitted legislation](#) to repeal the disastrous changes that went into effect in May.

That's a start. Unless Beacon Hill finds a middle ground – protecting those who fall on hard times without enabling system-gaming tenants – Massachusetts will continue to repel the national investors it desperately needs.

Until then, landlords will build these risks into the rents they charge, and every investor will think twice before financing and building the housing stock Massachusetts voters, business leaders, and public officials claim they want.

Oleg Uritsky is the founder and CEO of Helge Capital, a real estate investment firm with properties across the greater Boston market.