

Economic benefits of smoke-free housing

Drifting secondhand smoke in multi-unit housing is not only a serious public health problem, it can also cause significant damage to property. To protect their residents from exposure to secondhand smoke and to reduce the property damage caused by tobacco smoke, housing providers have the right to prohibit smoking anywhere on their property. In some cases, housing providers might be hesitant to go smoke-free because they are concerned that it may involve extra costs or make it more difficult to attract tenants. In fact, there are numerous economic benefits to going smoke-free. This fact sheet is designed to give an overview of some of the benefits of smoke-free housing to property owners or managers.



Turnover costs related to smoking and secondhand smoke.

- The average cost of turning over a smoke-free unit is \$5,000 less than turning over a unit where past residents have smoked.¹
- Smoking-related costs such as repainting walls, ceilings and fixtures and replacing carpeting can reach as high as \$15,000.²
- Because smoke drifts between units, these turnover costs affect more than just units where residents smoke.³ Up to 60 percent of the air in a unit can come from adjoining units,⁴ and sealing leaks only reduces airflow between units between 3 percent⁵ and 26 percent.⁶

- Thirdhand smoke can remain in a unit long after a smoking tenant has left.⁷ Thirdhand smoke is lingering smoke that is absorbed by porous surfaces or that leaves a film on harder surfaces.⁸ Thirdhand smoke damages fixtures and appliances and can cause health hazards long after secondhand smoke has cleared by slowly releasing carcinogenic material into the air, where it can then be inhaled.⁹ Even after rehabilitation, thirdhand smoke may still be detectable, making a unit less desirable.

Smoke-free housing is desirable and more marketable.

- Public opinion polls show that smoke-free housing is quite popular. Polls of renters in California conducted in 2004 and 2005 found that 82 percent would prefer to live in a smoke-free building.¹⁰ This popularity increases the marketability of units.
- Recent polls show that over a third of renters in Minnesota and over half of renters in Oregon would be willing to pay higher rents to live in a smoke-free building.^{11, 12}

Smoking can cause fires and significant damage to residential property, whereas smoke-free housing can qualify multi-unit housing for fire insurance discounts.

- 75 percent of property damage caused by smoking-related fires is to housing, including apartments.¹³ According to the National Fire Protection Association, this accounts for \$506 million dollars in residential property damage.¹⁴
- Some insurance companies offer a “smoke-free credit” that reduces fire insurance premiums by up to 10 percent.¹⁵

Smoke-free housing may reduce potential legal liability for housing providers.

- Without smoke-free housing, a housing provider may face legal claims from tenants who suffer harm from exposure to secondhand smoke on the premises.

Potential legal claims may be based on the implied warranty of habitability, the implied covenant of quiet enjoyment, constructive eviction, nuisance, negligence, or disability laws.

Smoke-free housing can increase a property's competitiveness in the low income housing tax credit program.

- The California Tax Credit Allocation Committee awards an extra point for properties that prohibit smoking in at least 50 percent of units, making these properties more likely to receive a tax credit.¹⁶

Smoke-free housing can help resolve conflict among tenants.

- Smoke-free rules establish standards and expectations for tenants from when they move in and preempt conflicts between tenants related to smoking.

- If smoking related conflicts do arise between tenants, smoke-free rules create a framework for addressing these conflicts. If one tenant is smoking and exposing another tenant to secondhand and thirdhand smoke, there is clarity on who is in the right and who is in violation.
- By going smoke-free, housing providers can avoid potentially time consuming and costly consequences of conflicts between smoking and nonsmoking tenants, such as becoming involved in litigation or dispute resolution, or having to provide special accommodations to disabled tenants affected by secondhand smoke.

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