

TOWERING EXCESS

**The Perils of the
Luxury Real Estate
Boom for Bostonians**



Institute for
Policy Studies

INEQUALITY.ORG
A INSTITUTE FOR POLICY STUDIES PROJECT

September 2018
Chuck Collins, Emma de Goede

About the Luxury Real Estate Project of the Institute for Policy Studies.

The Luxury Real Estate Project, a project of the Program on Inequality and the Common Good at the Institute for Policy Studies, is undertaking several activities, including:

- Mapping the trends — local, national, global — at the intersection of global/hidden wealth and local real estate/luxury housing.
- Researching and articulating the public interest case for taxing and regulating luxury real estate.
- Identifying the best policies and practices for reforming and regulating luxury real estate activities and hidden wealth practices.
- Generating city-by-city and national reports and series of articles and op-eds about the problems luxury real estate creates.
- Supporting local affordable housing coalitions as they press for rule changes and revenue for permanently affordable housing.

About the Program on Inequality and the Common Good

The **IPS Program on Inequality and the Common Good** was founded in 2006 to draw attention to the growing dangers of concentrated wealth and power, and to advocate policies and practices to reverse extreme inequalities in income, wealth, and opportunity. The program has been investigating the intersection of inequality and race, taxation, philanthropy and the problem of hidden wealth.

Other Reports

Billionaire Bonanza 2017: The Forbes 400 and the Rest of Us, by Chuck Collins & Josh Hoxie (November 2017)

Executive Excess 2018: How Taxpayers Subsidize Giant Corporate Pay Gaps, by Sarah Anderson (August, 2018)

Road to Zero Wealth: How the Racial Wealth Divide is Hollowing Out America's Middle Class, by Chuck Collins, Dedrick Muhammad (Prosperity Now), Emanuel Nieves, Josh Hoxie, September 2017.

Wealth: Donor-Advised Charity Funds Sequestering Billions in the Face of Growing Inequality, by Chuck Collins, Helen Flannery & Josh Hoxie, Warehousing (July 2018)

Gilded Giving: Top Heavy Philanthropy in an Age of Extreme Inequality, by Chuck Collins, Helen Flannery & Josh Hoxie (November 2016)

CO-AUTHORS:

Chuck Collins directs the Program on Inequality and the Common Good at the Institute for Policy Studies, where he also co-edits Inequality.org. His most recent book — *Is Inequality in America Irreversible?* — has just been published by Polity Press and follows his 2016 book, *Born on Third Base: A One Percenter Makes the Case for Tackling Inequality, Bringing Wealth Home, and Committing to the Common Good*, published by Chelsea Green. Collins co-founded United for a Fair Economy and Wealth for the Common Good, an advocacy group that has since merged with the Patriotic Millionaires.

Emma de Goede is a senior at Wellesley College. She is an intern with the Program on Inequality and the Common Good at the Institute for Policy Studies.

Graphic Designer: Jeremy Caldwell and Sarah Gertler. Thanks to Josh Hoxie for layout assistance.

Acknowledgements: We received significant assistance in the production of this report. We would like to thank our colleagues at IPS who helped us throughout the report development process, especially Anny Martinez, Domenica Ghanem, Harry Smith, Jen Wofford, Jessicah Pierre, John Cavanagh, Josh Hoxie, and Peter Certo.

The **Institute for Policy Studies** (www.IPS-dc.org) is a multi-issue research center, founded in 1963, that has been conducting path-breaking research on inequality for more than 20 years.

The IPS Inequality.org website (<http://inequality.org/>) provides an online portal into all things related to the income and wealth gaps that so divide us, in the United States and throughout the world. **Subscribe to our weekly newsletter at Inequality.org or follow us on Twitter and Facebook: @inequalityorg**

Institute for Policy Studies National Office

1301 Connecticut Ave NW, Suite 600 Washington, DC 20036

www.ips-dc.org, Twitter: @IPS_DC

Facebook: <http://www.facebook.com/InstituteforPolicyStudies>

Institute for Policy Studies New England Office

30 Germania Street, Building L

Jamaica Plain, MA. 02130

Email: chuck@ips-dc.org

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Key Findings and Executive Summary

Boston is experiencing a luxury real estate boom, with thousands of new luxury residential and rental units in different stages of development. A decade from now, Boston's skyline and population demographics will be fundamentally altered by decisions being made today.

This boom does have benefits, providing good jobs in the building trades and increasing property tax revenue for the city. But the boom is not helping address Boston's acute affordable housing crisis. Bostonians today have a median household income of \$58,500.¹ Average Bostonians cannot afford the new luxury condos. They will, unfortunately, feel their impact. Boston's luxury boom figures to accelerate Boston's already troubling disparities of income, wealth and opportunity.

Suffolk County, the jurisdiction where Boston resides, rates as the most unequal county in Massachusetts, our nation's sixth most unequal state in terms of the gap between the wealthiest 1 percent and everyone else. And Boston's racial wealth divide will only worsen if current trends continue. One marker of those trends: In 2015, not one single home mortgage loan was issued for African-American and Latino families in the Seaport District and the Fenway, two Boston neighborhoods with thousands of new luxury housing units.

City officials, meanwhile, are continuing to celebrate the construction of luxury properties such as the 61-story One Dalton Place. These towers, however, play a key role in the global hidden wealth infrastructure, a shadowy system that's hiding wealth and masking ownership, all for the purpose of helping the holders of private fortunes avoid taxes and oversight of illicit activities. Many Boston luxury properties are functioning, in effect, as wealth storage lockers for global capital.

With European countries now insisting on greater levels of transparency, illicit cash is now cascading into the United States. Many analysts now see our country as the world's second-biggest tax haven and secrecy jurisdiction after Switzerland. The U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN) has, in response to this trend, increased scrutiny over real estate markets in Miami, New York, and parts of California, Texas, and Hawaii. But Boston doesn't appear on the FinCEN network watchdog list, a status that may make the city particularly attractive for secret cash.

This report takes a preliminary look at the perils of Boston's luxury boom. These pages examine how Boston could better protect the public interest and, in the process, capture more of the current luxury real estate wealth flow to support affordable housing for Boston residents. We focus here on residential condominium ownership as a form of "wealth storage" and examine twelve of the highest-priced and presently occupied luxury housing developments constructed in Boston over the last decade.

- These twelve projects, totaling 1,805 units, have an average condominium price of \$3.02 million, a price 50 times higher than Boston's median household income.
- Over 35 percent of these units are owned by limited liability companies (LLCs) or trusts that obscure the real owners and beneficiaries. Almost 40 percent of the LLCs owning Boston luxury properties have organized themselves in the state of Delaware, the premiere secrecy jurisdiction in the United States. This Delaware connection shields the owners from public detection.
- Of these 1,805 luxury units, 64 percent do not claim a residential exemption, a clear indication that the condo owners are not using their units as their primary residence.
- Some of Boston's new luxury buildings stand out as textbook "wealth storage" properties. The 51 condominium units above the Mandarin Oriental Hotel at the Prudential Center, for instance, sold for an average of \$6.5 million. Over 56 percent of these units are owned by trusts, LLCs, and shell corporations, and fewer than 18 percent claim a residential exemption. The Millennium Tower has 443 units averaging \$2.4 million in assessed value. Over 35 percent are owned by shell corporations and trusts, and almost 80 percent of the units do not claim the residential exemption. Half of the LLCs that own units at Millennium Towers are organized in Delaware.
- This report's authors have identified a number of "red flag" transactions that in other jurisdictions would likely trigger a Treasury Department FinCEN criminal investigation. These include a large number of properties purchased through cash transactions by shell corporations and international buyers. Cash transactions greatly increase the risk that the properties involved are being used to launder money from criminal activities and speed capital flight.

Boston's past and current city administrations have permitted an explosion in luxury real estate property construction that is reshaping the city's skyline and economic

composition. With thousands of new luxury units either under construction or seeking permits, city officials ought to be seriously exploring the perils these units pose.

Among the negative impacts the luxury boom invites:

Higher Land and Housing Costs. The luxury building boom is driving up the cost of land in central neighborhoods, with a ripple impact on the cost of housing throughout the city. Affluent, but not superrich, households in Boston find themselves pushed to outer neighborhoods, increasing competition for scarce affordable and moderately priced housing.

A More Unequal City. Bringing more millionaires and billionaires to Boston will exacerbate an already grotesque inequality of income, wealth, and opportunity. New residents of these buildings will likely be wealthy white U.S. nationals and international buyers from European and Asian countries in the global 1 percent, compounding the extreme racial wealth divide that already exists in Boston. The \$40 million penthouse at One Dalton Place unit being sold at nearly 700 times the annual median income in the city of Boston.

A Harboring of Criminal Activity. Boston's luxury buildings can be used for crimes ranging from international money laundering to tax avoidance.

Ecological Degradation. Luxury projects such as One Dalton Place are requiring the construction of a new fossil fuel energy infrastructure at a time when Boston should be moving aggressively to transition toward 100 percent renewable energy in order to meet our clean energy commitments.

A Less Independent Media. The media, constrained by diminished reporting resources and dependent on advertising revenue from the luxury real estate industry, may be constrained in informing the public about the potential downsides of Boston's luxury real estate boom.

An Unequal Immigration Welcome Mat. Destitute asylum seekers fleeing persecution and danger are currently facing family separation and deportation. But wealthy foreign investors are buying their citizenship through the EB-5 visa program by investing in luxury properties such as One Dalton Place in Back Bay and Pierce Boston in the Fenway. EB-5 recipients receive a two-year green card and a pathway to apply for full citizenship in exchange for their cash.

Neighborhood Apartheid. Boston's luxury buildings function as vertical gated communities, walling off their residents from surrounding neighborhoods and communities. Developers are even constructing privatized recreation facilities. As one *Architectural Digest* article featuring One Dalton Place puts it: "Who Needs a Neighborhood When You Can Have These Wild Amenities?"

A More Vulnerable Future. If the luxury real estate market crashes, will the people of Boston be stuck holding the bag? What will be the impact on Boston in the event of a global slowdown or depression in real estate? What will happen with these dozens of behemoth buildings that require extraordinary amounts of energy and maintenance? Boston taxpayers may end up subsidizing luxury white elephants long after the developers, profits in their pockets, have walked away.

Recommendations

- 1. Levy a High-End Real Estate Transfer Tax.** Global capital is flowing into Boston because of our stable and appreciating market, public investments, and other public and cultural amenities. In exchange for providing a safe haven to global capital, Boston should tax real estate transactions on properties selling for over \$2.5 million and dedicate revenue from that taxing to the city's affordable housing linkage fund. The city should also be working with other cities in the Commonwealth — and in other luxury real estate havens — to adopt parallel policies.
- 2. Institute a Vacancy Tax and Ordinance.** Boston could discourage high-end vacant properties by taxing buildings that sit empty for more than six months a year. We can learn from other jurisdictions that have created incentives to use their city's housing stock to house people, not wealth.
- 3. Stipulate Municipal Disclosure of Beneficial Ownership in Real Estate.** Boston should require property owners, as part of recording deeds, to disclose the actual human being who owns the property. Getting a Boston Public Library card — a task that requires full disclosure of identity and a real address — should not be harder than creating a Delaware-based shell company and using criminally obtained funds to purchase a luxury condo in Boston.
- 4. Require New Buildings to be Carbon Emissions Neutral.** All future luxury properties should be state of the art "net zero carbon emissions" green construction, not requiring any additional fossil fuel inputs.

5. Support State and National Transparency Policies. Boston should be backing Massachusetts Attorney General Maura Healy's national partnership with other attorney generals around real estate ownership transparency as well as other national efforts to increase oversight of potential criminal activities. We should join national efforts to scrutinize the weak corporate transparency laws in Delaware.

6. Enact Anti-Criminal Oversight. City officials should move to make Boston a part of the Financial Crimes Enforcement Network, or FinCEN. Such a move would help city officials monitor attempts to use luxury real estate for money laundering and other illegal activities.

Is anybody home?

At the Mandarin Oriental condominiums, 56% of the units are owned by trusts and shell corporations.

Fewer than 18% claim a residential exemption.

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Hidden Wealth Meets Boston's Housing Crisis

Estimates of wealth inequality around the world are extreme. They also greatly underestimate the concentration of wealth at the top of society's wealth pyramid. This is because trillions of dollars of "hidden wealth" assets are not measured because their ownership is masked. An estimated one eighth of global wealth is hidden according to the economist, Gabriel Zucman.²

This hidden wealth is often held in trusts and shell corporations, often booked in offshore tax havens, and run through banks and fiduciaries that are not required to disclose their real beneficial owners. In the aftermath of the journalistic revelations of the Panama Papers and the Paradise Papers, a growing number of countries are instituting greater transparency rules.³ But the United States has been a laggard in increasing transparency, leading to a new flood of global money.

“Money has flooded into the United States as the United Kingdom and other European countries have been smart enough to enact laws and regulations to improve beneficial ownership transparency,” said Charles Grassley (R-Iowa), Chairman of the Senate Judiciary Committee at a hearing on money laundering.⁴

According to the UK-based Tax Justice Network, the United States is now the world’s second largest tax haven, after Switzerland. According to their report, the U.S. now accounts for 22 percent of offshore global services.⁵

Some of this hidden wealth, however, touches down to earth in the form of real property and luxury real estate. Across the world, skyscrapers and mansions are rising in globalized super-cities, a form of “wealth storage” for the world’s wealthy who are seeking to diversify their asset holdings. As a result, there are opportunities for municipalities and states to regulate this place-based investment in order to offset the disruptive impact it is having on communities.

This can include taxing transactions and vacancies, increasing property taxes on luxury units, and requiring greater transparency to discourage criminal activity and tax dodging.

While new construction of luxury real estate may increase a city’s tax base, there are a number of perils for a city like Boston. This report encourages policy makers to look beyond the promotional hype and ask critical questions about the benefits and problems of Boston’s luxury real estate boom.

It is harder to get a public library card in the City of Boston than to create an anonymous shell corporation and purchase a luxury real estate unit.

Boston has a well-documented crisis in housing affordability. According to the City’s own *Imagine 2030* report, published in 2016, 21 percent of Bostonians spend 50 percent or more of their monthly income on housing. There are more than 40,000 applicants on waiting lists for public housing and Section 8 vouchers. The median household income in Boston is similar to the national median, but the median price of a home is 2.5 times higher.⁶

Between 2010 and 2015, the median housing cost in Boston increased 36 percent citywide. In Roxbury and East Boston, neighborhoods with high percentages of low-income residents, costs increased 70 percent and 52 percent over the same period.⁷

Luxury Housing and Economic and Racial Inequality

Boston's luxury housing boom will compound the city's existing economic and racial disparities. Massachusetts is the 6th most unequal state in the U.S., in terms of the ratio between the incomes of the top 1 percent and the bottom 99 percent. And Suffolk County, with the four cities of Boston, Chelsea, Revere and Winthrop, is the most unequal county in Massachusetts. The richest 1 percent of Suffolk County residents has an average income of \$2.79 million, which is 53.6 times the \$52,149 average income of the bottom 99 percent.⁸

More housing, built exclusively for people in the richest 1 percent of income and wealth holders, will accelerate not reverse these trends, including the city's persistent racial wealth divide. A 2015 study co-published with the Federal Reserve Bank of Boston examined asset ownership by race in the Boston area, taking a closer look at sub-racial groups by making distinctions between demographic groups such as Boston's non-immigrant multi-generational African American residents (called "US blacks" in the report) and Caribbean blacks (including Haitians). Instead of just looking at Latinos, the study broke down differences between, for example, Puerto Ricans and Dominicans.

With wealth defined as assets minus debts, median household net worth for whites was \$247,500. For Caribbean blacks it was \$12,000 and for US blacks it was just \$8. Median household net worth was \$3,020 for Puerto Ricans and \$0 for Dominicans. In other words, half of US blacks and Dominicans in Boston have essentially zero wealth, they owe as much as they own.⁹

In 2015, in the neighborhoods with the greatest density of new luxury housing (Back Bay, Downtown, Fenway and South Boston Waterfront), there were no home mortgage loans made to black borrowers. Similarly, no Latino buyers received loans in the Fenway and South Boston Waterfront in 2015, according to the annual "Changing Patterns" report prepared for the Massachusetts Community & Banking Council.¹⁰

In 2015, in the neighborhoods with the greatest density of new luxury housing (Back Bay, Downtown, Fenway and South Boston Waterfront), there were no home mortgage loans made to black borrowers.

In contrast, 40 percent of home loans in Mattapan went to Blacks and 21.4 percent of home loans in Hyde Park went to Latinos. But the neighborhoods with the most substantial investment in luxury housing have zero, zip, nada in the number of loans to Blacks and Latinos. If these trends continue, Boston's luxury building boom will fuel accelerated class and racial separation in settlement patterns in Boston.

How does Boston's "build build build" strategy address the polarization of Boston? Is it really alleviating the city's affordable housing crisis? Given the amount of land, labor, energy and material resources being devoted to Boston's luxury housing boom, the burden is now on the city to prove that more luxury housing has a net positive impact.



A Dozen Luxury Buildings

Boston, like a lot of global cities, is experiencing a luxury building boom. While one of the drivers of this is the growing number of U.S. super-wealthy, global investors are adding fuel to the fire.

We looked closely at twelve completed luxury housing projects, described below. These twelve buildings have 1,805 units with an average condominium price of \$3.02 million dollars. One third of these units are owned by shell companies or trusts that mask the beneficial owners. Of these, 98 are limited liability companies organized in the state of Delaware, notorious for their lack of transparency. With trusts, the owner is obscured by a trustee who manages the asset on behalf of an anonymous beneficiary.

It is harder to get a library card at the Boston Public Library than to create an anonymous shell corporation and purchase a luxury real estate unit. In order to get a library card, you have to prove who you are and where you live. This proof includes a bill with your name and address on it (See box on page 30).

It is unclear how many of these units will sit entirely vacant. We do know that 64 percent of the owners do not claim a residential exemption, a provision that reduces the taxes for homeowners whose primary residence, with savings in FY2017 up to \$2,538.47.¹¹ Not claiming a residential exemption is a strong indicator that the owners of these properties do not actually reside in them.

Percent of Units in 12 Luxury Buildings that Don't Claim Residential Exemption

Building Name	Percent Units Without Residential Exemption	Units Without Residential Exemption	Total Units	Average Value
Le Jardin	88.9	8	9	\$6,797,944
Mandarin Oriental	82.4	42	51	\$6,497,687
Carlton House	81.5	44	54	\$3,256,284
Millennium Tower	79.0	350	443	\$2,463,285
Ritz Carlton Residences	64.2	239	372	\$1,951,820
Millennium Place	61.4	159	259	\$1,396,578
45 Province	61.3	87	142	\$1,847,588
The Clarendon	60.6	63	104	\$2,534,338
22 Liberty	56.4	62	110	\$2,818,087
Trinity Place	52.0	51	98	\$2,038,207
Belvedere	43.5	27	62	\$2,638,858
Atelier	24.8	25	101	\$2,099,986
TOTAL	64.1	1157	1805	\$3,028,389

Source: Boston Assessing Department Online Database

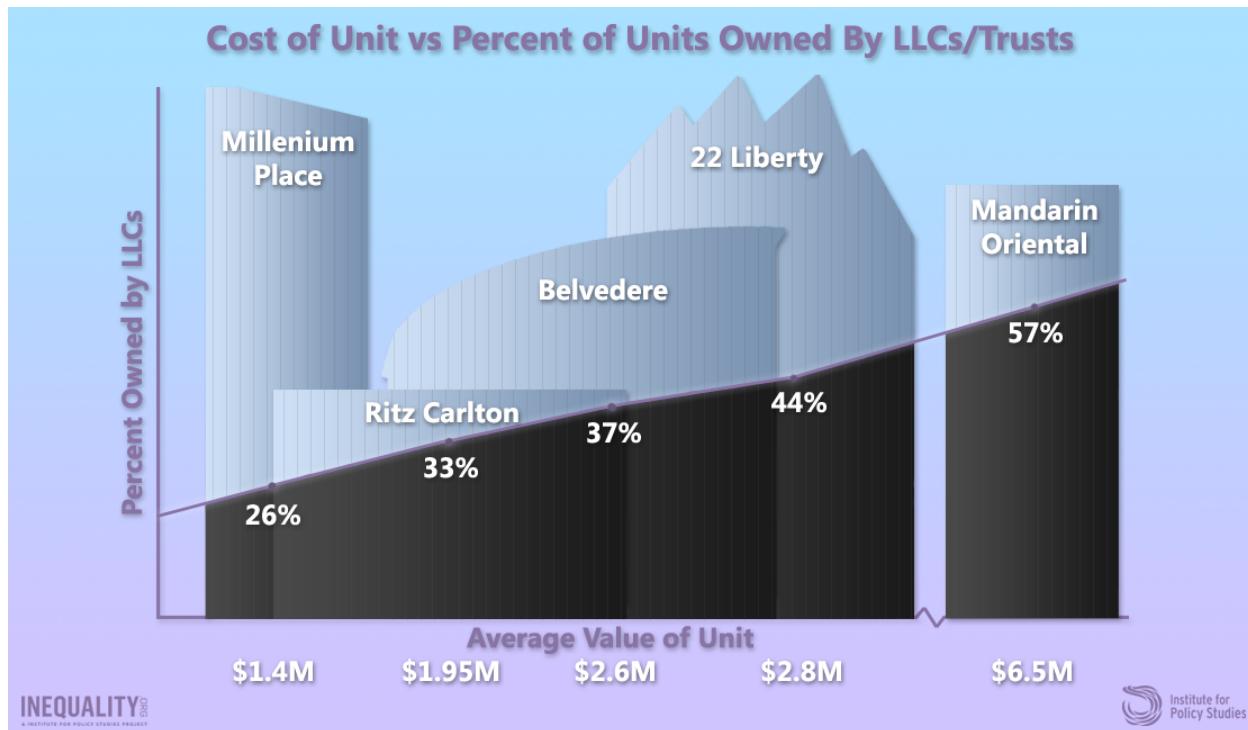
Some Boston buildings are more akin to wealth storage units, like the Mandarin Oriental with 51 units selling for an average of \$6.5 million. Over 56 percent of the units in the Mandarin Oriental are owned by trusts and shell companies and fewer than 18 percent claim a residential exemption.

The Millennium Towers has 443 units averaging \$2.4 million in price per unit. Over 35 percent are owned by trusts and shell companies and almost 80 percent of the units do not claim the residential exemption.

Twenty Two Liberty opened in December 2015 as the first ultra-luxe condominium complex in the Seaport District of Boston, located on the Fan Pier. The complex is composed of 108 units, available for purchase or rent. The residences range from studio apartments to three-bedroom penthouses.¹² The building features a lounge and deck overlooking the Boston harbor. The average value for a unit in the complex is \$2.8 million with its top penthouse assessed at \$5.5 million. Twenty Two Liberty, along with multiple other projects in Boston including the Marriott Long Wharf and the Westin Boston Waterfront, is a product of the Fallon Company. A large list of well known

owners includes General Electric's Vice President, Alexander Dimitrieff. The Robert Kraft family, owners of the New England Patriots, also own a few units.

The More Expensive the Condo, the More Likely It is Owned by an LLC



Who Owns Boston's Luxury Properties: An Overview Picture of 12 Buildings

Building Name	%Percent of LLCs in Delaware	Delaware LLCs	Units Owned by LLCs	Units Owned by LLCs and Trusts	Total Units
Millennium Towers	54%	64	119	158	443
Belvedere	50%	1	2	23	62
45 Province	46%	6	13	42	142
The Clarendon	36%	4	11	30	104
22 Liberty	35%	5	14	48	110
Carleton House	33%	2	6	28	54
Mandarin Oriental	25%	3	12	29	51
Ritz Carlton Residences	22%	8	37	122	372
Millennium Place	13%	5	38	67	259
Trinity Place	0%	0	1	24	98
Le Jardin	0%	0	2	5	9
Atelier	0%	0	1	29	101

Source: Boston Assessing Department

Millennium Tower opened in 2016 as Boston's tallest residential building and third tallest building overall. The project was financed by Vornado Realty Trust. This skyscraper is known as the city's "first neighborhood in the clouds" reaching 685 feet at its peak. The tower is located at 1 Franklin Street in the Downtown Crossing district.¹³ Composed of 442 residences, values average at \$2,463,285. The penthouse is assessed at \$33.7 million. Residents include Michael Dell of Dell Technologies. The 13,256-square foot penthouse apartment is owned by Texas private equity investor John Grayken who purchased it for \$35 million.¹⁴ Grayken, who renounced his U.S. citizenship to avoid taxes, can only legally live in the apartment four months a year.

Based on sales and tax information, over 55 percent of owners paid cash for their units. *Commonwealth Magazine* estimates 57 percent of the building's residents are from the U.S., 34 percent from abroad, with the ownership of 9 percent hidden behind a trust or limited liability corporation. Roughly 23 percent are from China, 2.8 percent from Kuwait, and 2.5 percent are from Taiwan.¹⁵



Source: Boston Assessing Department

Millennium Place, older sibling to Millennium Tower, was completed and opened in 2013. Located at 580 Washington Street, the complex contains 256 residences spread over 15 floors. Each residence caters to one of four living experiences: Garden, Theater, Avenue, and Grand, with prices ranging respective to theme and size. Units offer

anywhere from one to three bedrooms. The mean value of a Millennium Place unit falls far below that of its sister on Franklin Street, it's average ranking at \$1,397,578.¹⁶

The **Ritz Carlton Residences** span three addresses, 1,2, and 3 Avery Street. Generally, the less expensive units are located at 3 Avery Street. The complex opened in 2001 featuring 300 residences for sale.¹⁷ One bedroom residences to four bedroom penthouses are available, with an average unit valued at \$1.9 million. Below the residences is the Ritz Carlton Hotel, allowing residents access to all of the amenities and services that a hotel guest is offered. In addition, an Equinox fitness center is located at the base of the complex. Residence owners include the King of Saudi Arabia, Faisal al-Saud, and former Minister of Foreign Relations, Saud al-Saud.

The **Atelier Residences** are located at 505 Tremont Street in the South End of Boston, just a quick walk away from Back Bay Station. The complex was built in 2003. Condo sizes vary from one bedroom to three bedrooms, with prices varying accordingly. Out of the 100 units,¹⁸ the average unit value is \$2.1 million.

The **Trinity Place**, located at 1 Huntington Avenue, is in the Back Bay district of Boston. Residences in this complex range from one bedroom to four bedroom penthouses, with availability for rent or sale. The complex was built in 2000 and the average cost of each of the 98 units is about \$2 million.¹⁹

The **Mandarin Oriental Residences** are located above the Boston Mandarin Oriental Hotel, at 776 Boylston Street directly adjacent to the Prudential Center. Their proximity to high end retail stores like Gucci, Saks Fifth Avenue and Louis Vuitton make them a highly desirable get away for the global uber-wealthy. The Residences were opened in 2008 “with 49 exclusive residences featuring architecture by CBT Architects and interior design by Frank Nicholson. In 2015, 25 additional one and two-bedroom residences were introduced” with limited inventory still available.²⁰ According to the Boston Assessor’s Office there are 51 private residences, the average value is \$6.5 million.²¹ The most luxurious penthouse is valued at around \$18 million. Of the more notable residents is Alan Hassenfeld, former founder and CEO of Hasbro Toys, and Jeffrey Vinik, one of the owners of the Boston Red Sox.

The **Carlton House**, also known as the “Old Ritz” was built in 1982, one of earliest luxury high rises in Boston. It used to house the Ritz Carlton Hotel, but now its lower floors are home to the Taj Hotel, an equally opulent experience. The complex contains fifty residences, from one-bedroom suites to three-plus bedroom penthouses²². It is located between Newbury Street and Boylston Street, overlooking the Boston Garden.

Carlton House is within blocks of Burberry, Tiffany Co., and Hermes. The average value of a unit lies at \$3.3 million.

The Clarendon is located in the Back Bay neighborhood of Boston at 400 Stuart Street and features 107 luxury residences. The sizes vary from studio apartments to 4 bedroom condominiums. Built in 2009, the building is certified as a high performance green building which sets it apart from its sibling luxury complexes.²³ The average value of one of these homes is \$2.5 million. One resident is the CEO of Boston-based Wayfair, Niraj Shar.

Le Jardin is one of the most exclusive developments in Boston. It only has 9 units, making them almost impossible to obtain. The units are located right on the edge of Boston's Public Garden at 250 Boylston Street²⁴, offering an unbeatable view. These residences have an average value of \$6.8 million per unit.

45 Province is located on the previous site of the Province House (45 Province Street), where the Massachusetts governor used to reside. Built in 2009, it is conveniently located close to the State House and City Hall, over overlooking the Common and Beacon Hill. Rising 32 stories tall, it features 137 private residences.²⁵ The average value of these units lies at about \$1.8 million. Celebrity residents include adult film star Holly Bruce.

The Belvedere was built in 2000 at 100 Belvidere Street in Boston's Back Bay. The complex contains 66 units with average values of \$2.6 million. One to three bedroom residences are available for sale or for rent. Rising eleven stories, it now lays in the shadow of the rising One Dalton.²⁶



Boston's Swanctuary Building Boom

There are thousands of additional luxury condominiums in the pipeline, with thousands of more high-end rental properties coming on the market each year. Here's a sampling of a few of the condominium projects that are in the pipeline or recently on the market.

One Dalton Place will be completed in early 2019 with 160 luxury condominium units in Boston's Back Bay, rising 61 stories and on top of 215 hotel rooms of the Four Seasons Hotel. The average unit cost is \$6 million with the penthouse on the market for \$40 million (See separate section about One Dalton on page 31).

150 Seaport ("St Regis Residences"). Overlooking Boston Harbor, construction on 150 Seaport began in late June 2018 and is not expected to be finished until 2020. The complex will feature 22 floors and 114 ultra-luxe condos. They will be branded as the St. Regis Residences. Residences will include 24/7 concierge and butler service, mirroring the St. Regis hotels. These residences are following suit with others like One Dalton Place, which will be under the service of the Four Seasons, the Ritz Carlton Residences, and the Mandarin Oriental Residences. The current asking prices for two-bedroom St. Regis Residences in San Francisco and Toronto are \$4 million and up.

Echelon Seaport is a new development that labels itself as an “urban resort.” Located at 145 Seaport Boulevard, it contains 270 units. The complex is expected to open in late 2019 with studio residences starting at \$700,000.²⁷

Pier Four, located at 100 Pier Four Boulevard, is expected to open in September of 2018. The complex features 106 units with pricing starting around \$1.3 million.²⁸

Construction on **50 Liberty**, at 50 Liberty Drive, was finished in March of 2018. 120 units are now available for sale, with studio apartments starting at \$1 million.²⁹

LoveJoy Wharf’s construction was completed in June 2017. The complex’s 157 units are located at 157 Lovejoy Place. Studio apartments start at \$750,000.³⁰

25 Beacon Street is a mini ultra luxury complex in Beacon Hill. Currently open for sales, it features only six units. The Penthouse recently sold for \$11.5 million.³¹

The Boulevard’s finishing touches were applied in February of 2018. With only 36 residences for sale in Boston’s Financial District, prices start at \$1.5 million.³²

Pierce Boston, the tallest new building in the Fenway located at 188 Brookline Ave, features 349 units, 240 of them for rent. The complex was completed in March of 2018 with 109 residences on the market for a minimum of \$1.3 million. The Pierce Boston features “sky cabanas” on the 30th floor. Some units are selling for an eye-popping price, for this neighborhood, of over \$1,700 a square foot.³³

The Archer Residences are located at 45 Temple Street on Beacon Hill. Expected to be completed in late 2019, the 67 units will be on the market with sales starting at \$1.3 million.³⁴

Bulfinch Crossing, 50 New Sudbury Street, Downtown, is a massive development of six high-rise and mid-rise buildings overlooking Boston Harbor, with 1 million square feet of office space. The residential tower aims to be the tallest residential rental property in the city, a 45-story building rising 480 feet.³⁵ With 486 apartments proposed, Bulfinch will have a one-acre rooftop garden, concierge and hospitality services, fitness facility and pool, pet spa, sky lounge and terrace, and obligatory golf simulator.³⁶ The project is currently in review before the Boston Planning and Development Agency.

339 Congress Street, Seaport District. Currently under construction by the Miami-based Crescent Heights developer, this project is 414 units of new luxury units. 63 of the units will be designated affordable housing on site.³⁷

Waterside Place, South Boston Waterfront. Recently approved by the Boston Planning and Development Agency (BPDA), Waterside Place, Phase 1B, will be 23 stories tall and include 312 units. The developer is Gables Residential.³⁸

315 Northern Avenue, Parcel K, South Boston Waterfront. Another hotel and luxury residential hybrid has been approved by the city but has yet to break ground. 315 Northern Avenue will include 293 hotel rooms and 304 residential units in two buildings occupying, half a million square feet of developed property. The project is being developed by the Phoenix Property Company and Lincoln Property Company.³⁹

47-53 Lagrange Street, Chinatown. This building will rise 21 stories and include 176 residential units. Approved by the BPDA The developer, the Matteson Companies, won BPDA approval for the project in June of 2018.⁴⁰

1000 Boylston Street, Back Bay. Weiner Ventures has secured BPDA approval for the construction of 108 residential units atop commercial space. The building, constructed in part over MassPike air rights, has a unique twisting architectural design, “with each residential floor twisting up to the sky...every unit having literally its own unique size and layout.”⁴¹

40 Trinity Place, Back Bay. The Architectural Team is the developer of 40 Trinity Place, a 31-story building with 154 hotel rooms and 146 residential units. The project was approved in April 2016 and building permit was granted in November 2016.⁴²

The Perils of High End Real Estate

We are not marketing to speculative investors. Our developer is acutely aware of all the other luxury properties that have sold to investors, some as much as 100 percent. With that model you create lots of renters which can lead to a building remaining partially uninhabited.

--Tracy Campion, real estate agent, One Dalton Place

There are obvious benefits of luxury real estate in Boston. Construction creates jobs in the building trades and high-end real estate contributes to the tax base of Boston. The city of Boston does a good job negotiating with developers over “linkage” contributions toward affordable housing. And there will be some jobs in the “service-rich lifestyle” sector. But there are also a number of reasons why communities like Boston should be concerned about the growth in luxury real estate.

Disruption to Affordable Housing Market. Luxury real estate has a disruptive impact on local housing markets, pushing up land values and housing costs. Local gentrification trends are being supercharged by global wealth as billionaires displace millionaire housing and push rising housing costs to outlying neighborhoods such as East Boston, Charlestown and Jamaica Plain.

A UBS Global Real Estate Bubble Index warned, “Soaring home prices come with a downside. They nudge low- and middle-income earners out of the market, increase the gap between rich and poor, and even lead to a rush to build homes that critics say can make us sick.”⁴³

Other global cities, such as Vancouver and London, have suffered the disruptive impact of huge amounts of foreign investment. As Paul Roberts writes in *Mother Jones*, Vancouver has become for wealthy Chinese the perfect “hedge city” full of “real estate where capital can be sheltered against mounting economic and political uncertainties back home.” Canada’s National Bank Financial estimates that Chinese purchases of real estate was almost \$10 billion in 2015, almost a third of the entire amount spent on Vancouver area real estate. Fueled by global capital from emerging Asian markets, Vancouver real estate prices have doubled since 2006.⁴⁴

Vancouver’s evolution was rapid. As Roberts describes, “Fueled by steadily more offshore capital, the city began morphing in almost real time. As lots became far more valuable than often modest homes atop them, thousands of older homes were knocked down and replaced by mansions. In the city’s venerable business districts, block after block was razed for condo towers, whose units sat empty for months. Mom and pop stores gave way to high-end boutiques and luxury care dealerships. Residents’ complaints were largely ignored.” While Boston is not facing this level of disruption, the same forces are now at work.

A More Unequal City. Boston’s luxury housing boom will bring tens of thousands of wealthy new residents to the city of Boston. Some will not reside here, using their housing investment as a means to preserve wealth value. But others will add pressure to existing public services, along with increased road and transportation congestion. Given the demographics of wealth ownership, many residents of the city’s luxury housing will be white U.S. nationals and wealthy internationals from mostly European and Asian countries.⁴⁵ This will further exacerbate the city’s already grotesque inequalities of wealth, income, power and opportunity.

Inequality matters in a community context, not just poverty. Extreme inequalities of wealth undermine public health and social cohesion.⁴⁶ And wealthy families that

privatize their needs –in the form of private schools, private club and recreational facilities, and other services – do not maintain a stake in the public services that low- and middle-income Boston residents depend on. Over time, they use their considerable clout to reduce taxes and expenditures on public services.

As we discussed in the introduction, building thousands of units of housing for people in the wealthiest 1 percent will accelerate economic and racial income and wealth inequalities –and fortify existing settlement patterns. The neighborhoods with the greatest amount of new luxury housing --such as Back Bay, Downtown, Fenway and South Boston Waterfront –had no loans to Black borrowers in 2015.⁴⁷

Vacant Luxury Properties. As wealth storage units, many properties are owned by shell corporations and sit vacant for long periods of time, undermining community and social cohesion. As our report documents, a minority of these units will be owner-occupied. Some are owned by wealthy individuals from the U.S., touching down at one of their many residential landing pads.

These luxury ghost towns have no stoop life, less foot traffic, fewer customers for neighborhood businesses, and weakened neighborly bonds.

Vancouver and London suffer from acute “empty house syndrome,” as tens of thousands of homes and luxury condominiums sit vacant. This is a very different vacancy problem from a depressed urban marketplace. These homes are owned by wealthy investors who treat them as another asset class on their balance sheet. But the impact on the neighborhoods is devastating, zapping a community of social and economic vitality. These luxury ghost towns have no stoop life, less foot traffic, fewer customers for neighborhood businesses, and weakened neighborly bonds.⁴⁸ This is the opposite of what city watcher Jane Jacobs wrote –how a vibrant and safe community has a foot traffic and “many eyes” on public space.

Potential for Money Laundering and Criminal Activity. Anonymously owned luxury properties enable the hiding of wealth and tax dodging at the global level –as well as money laundering and other criminal activities. Many of these properties are purchased with cash by shell companies, raising red flags about the legality and source of funds.

An unusually high percentage of these properties are sold to foreign buyers, including Russians and Chinese investors moving money out of their native lands, along with wealthy U.S. citizens dumping money into opaque trusts. From their point of view a luxury condo in Boston is another “asset class” alongside stocks, bonds, precious metals, and art. (See our section on “Red Flags” below).



Capturing and Corrupting Power. Bostonians should be concerned about the way that luxury developers capture and corrupt local politics and exercise undue influence on municipalities in terms of zoning, extraction of subsidies, and land use decisions. As a result, the public interest and proper oversight may be pushed aside. The developers of One Dalton Place have used their power to push National Grid to construct a new gas infrastructure pipeline to service their building but advocated for ratepayers to cover the cost. Developer Richard Friedman is a major donor to Massachusetts politicians and national candidates.

In Boston, it appears to be standard operating procedure for luxury real estate developers to give to city administrations. Many of these projects were the result of decisions made by the previous city administration of Thomas Menino. But many past and current developers contribute the maximum \$1,000 donation to Mayor Martin Walsh, sometimes while projects are being reviewed by the Boston Planning and Development Agency (BPDA).⁴⁹ See Appendix A for a list of 17 luxury developers who have contributed to Mayor Walsh. Here are several examples:

- Between August 2013 and February 2015, the developer of the Belvedere Residences John Moriarty and his wife, Carol Moriarty, of Winchester, donated \$4,000 in bundled gifts to Mayor Marty Walsh.

- The developer of 1000 Boylston in the Back Bay, Adam Weiner, gave two \$1000 contributions to the Walsh campaign in December 2016 and April 2017.⁵⁰
- The three lead developers of 40 Trinity Place, Back Bay, contributed a total of \$7,500 to Mayor Walsh. Between October 2011 and February 2018, Michael Binette of Topsfield, MA and lead developer of the Architectural Team, gave Mayor Marty Walsh \$5,500 in campaign contributions. Two other principals at the Architectural Team combined to donate an additional \$2,000 in contributions to lubricate the city's approval. The 31-story complex with 154 hotel rooms and 146 residential units was approved in April 2016 and a building permit was granted in November 2016.
- Developers also can make unlimited donations to the MJW Charitable Fund, Mayor Walsh's charitable fund. A partial list of donors includes donations from Suffolk Construction (One Dalton Place), Shawmut Design and Construction (Moriarty) and Fallon Company (Liberty properties).

In Boston, it appears to be standing operating procedure for luxury real estate developers to give the maximum \$1,000 donation to Mayor Martin Walsh as projects are being reviewed by the Boston Planning and Development Agency (BPDA).

The Walsh administration has repeatedly said that, “no donations, whether political or charitable, influence the mayor’s decision-making on official city business.”⁵¹

Shortage of Critical Media. Part of the corrosive power of the luxury real estate industry is the potential capture of the city’s print and broadcast media. All forms of media are in transition, struggling with diminished resources for investigative reporting. But because the luxury real estate industry is a huge source of advertising revenue, local media may have even less incentive to ask critical questions about luxury developments.

Commonwealth Magazine has done exceptional reporting in the city on the impact of luxury housing in the city, including several pieces taking a closer look at ownership patterns in Millennium Tower.⁵² There have been no critical articles or investigative pieces about One Dalton Place in major area outlets. The *Boston Globe*’s coverage of One Dalton Place in the last two years has been limited to a puff piece about the building’s colorful developer, Richard L. Friedman, and an exposé about the tower’s impact on birds.⁵³ *Boston Magazine* has published several gushing pieces about the building’s luxury amenities using the exact same wording in several photo-rich articles.⁵⁴ And the

city's real estate industry news, like the *Boston Real Estate Times*, essentially reprint the developer's press releases.⁵⁵ WBZ Channel 4 did their puff piece in advance of the One Dalton "topping off ceremony" in early August 2018.⁵⁶ Without a rigorous public debate, initiated by local news media about the merits and perils of this luxury real estate boom, Boston may quickly evolve into a very different kind of city that no one wants.

Contributes to Unfair Immigration Policy. While destitute asylum seekers fleeing persecution and danger are sitting in detention centers or struggling to be reunited with family members, wealthy foreigners are investing in luxury buildings and other enterprises in order to effectively buy their citizenship rights.

Thanks to an immigration visa program known as EB-5, or Employment-Based Immigration, investors can get a temporary two-year citizenship and a path to citizenship, for investing \$500,000 in a targeted employment area (or \$1 million in other geographical regions). Established in 1990 as a mechanism to attract foreign investment capital, EB-5, has been a continuously renewed pilot program that is up for renewal by September 30, 2018. The last several years, the EB-5 visa program has issued the 10,000-maximum number of visas per year and brought in a minimum of \$5 billion in investment capital.⁵⁷ Some lawmakers are proposing reforms such as raising the amount investors must bring to the table.⁵⁸

Several developers of Boston luxury housing partnered with intermediaries to attract EB-5 investors. These include the owners of One Dalton Place in the Back Bay and the Pierce Boston in the Fenway.

Energy Consumption and Climate Change Risk. Many of Boston's luxury buildings are energy hogs, requiring the construction of new fossil fuel infrastructure to power properties with conspicuous energy consuming amenities. National Grid is busy expanding its northeast pipeline infrastructure to transport fracked natural gas from the Marcellus Fault region of Pennsylvania, primarily for global export. They are happy about increased domestic demand from luxury buildings in order to justify charging local utility customer ratepayers for their pipeline construction projects.

By fast-tracking this housing boom, the city of Boston is undercutting its greenhouse gas reduction commitments. Boston is highly vulnerable to sea-level rise and storm surges as the earth warms and weather systems become more volatile. Constructing new fossil fuel pipeline infrastructure to service luxury buildings like One Dalton Place moves Boston in the wrong direction.

Climate activist John McGibbon made a hilarious parody of One Dalton Place's marketing video. Readers should first watch One Dalton Place's video to see the product at www.onedalton.com. Then watch McGibbon's parody, "The Dark Tower,"⁵⁹ with the narrator intoning:

Boston is a hub of innovation on climate change and energy efficiency. So when we decided to build New England's tallest and most luxurious residential skyscraper, we consulted the area's top climate researchers for advice. Then, we took our search around the world. We looked at cutting-edge, clean energy technologies. We visited super-efficient skyscrapers in Indonesia and Dubai. And we rejected everything we learned, so we could bring you a masterpiece of conspicuous energy consumption.



One Dalton Place with rising seas (from Parody video)

From the "Dark Tower" parody video: "One Dalton: celebrate your success by consuming enough energy to power a small chowder factory... You'll bask in cozy luxury while enjoying spectacular views of the Category 5 hurricanes battering Boston Harbor... Even on the hottest days, our powerful air conditioning system will keep you comfortable enough to enjoy your laser ignition gas fireplace."

As we will discuss in recommendations below, Boston can raise the bar by requiring new luxury buildings to meet higher green building standards.

Will Boston Be Stuck Holding the Bag? There is growing evidence that the global luxury market is experiencing a slowdown. According to Kate Everett-Allen, a partner in International Residential Research at Knight Frank, “The introduction of new, and the strengthening of existing property market regulations, along with the rising cost of finance and a degree of political uncertainty are resulting in more moderate price growth at the luxury end of the world’s top residential markets.”⁶⁰

In New York City, the luxury market still dwarfs Boston, with new buildings such as the Central Park Tower, at 220 Central Park South, fetching an average price per square foot of over \$7,000. Big Apple luxury market developers are “pushing forward with ultra-luxury towers despite the slide in prices and the risk of oversupply,” according to Mansion Global, a global luxury real estate firm. “A slew of super-prime towers are in the pipeline around Central Park –all catering to an ever smaller billionaire buyer pool.”⁶¹

“2018 will mark slow price growth across multimillion-dollar price points and a landscape in which high-end buyers enjoy the upper hand in negotiations,” said Grant Long, a senior economist at StreetEasy.⁶²

What does all this mean for Boston? With thousands of luxury housing units in the pipeline, Boston may experience its own slowdown. And what about a radical readjustment or disruption in the luxury market? In 2008, the construction cranes literally stopped in mid-air. These skyscrapers have tremendous fixed energy and maintenance costs. Who will cover those costs when the sections of Boston like the Seaport district become less habitable thanks to sea level rise and developers walk away?

Neighborhood Apartheid. These luxury buildings are vertical gated communities. Some of these buildings reinforce trends of neighborhood apartheid –as luxury residents opt-out of actual neighborhoods. As an *Architectural Digest* article observed, “Who Needs a Neighborhood when can you have these Wild Amenities?”⁶³

We know that what makes a neighborhood are bonds between neighbors, a sense of shared interest in the future of a community, and spontaneous mutual aid and acts of neighborliness. How do these towers of excess shape and distort our neighborhoods?

Red Flags: The Risks of Shell Corporations

Who is buying Boston? The answer is: We don't know who the real owners are.

Thanks to the growing use of anonymous shell corporations, including limited liability companies (LLCs) organized in Delaware, we don't know who is buying Boston and whether they are engaged in criminal money laundering or other criminal activities.

Here's why we should be concerned. Sometimes there are multiple layers of trusts, shell-companies and anonymous bank accounts clouding up the picture. Money made in a sex trafficking operation or stolen by a corrupt government official gets deposited into a bank account in a secrecy jurisdiction, such as the British Virgin Islands. This bank account wires funds to enable an LLC organized in Delaware to purchase with cash a \$5 million condominium in a luxury building in Boston. Three years later, that property is sold and the proceeds are now fully "laundered" and available for non-criminal activities.

**Who is buying Boston?
The answer is: We don't know who the real owners are.**

The Financial Crimes Enforcement Network (FinCEN) is an arm of the US Treasury Department that monitors financial transactions to combat international money laundering, terrorist financing and other financial shenanigans.

In August 2017, FinCEN issued an advisory to real estate professionals and financial institutions highlighting the risks in luxury real estate:

Real estate transactions and the real estate market have certain characteristics that make them vulnerable to abuse by illicit actors seeking to launder criminal proceeds. For example, many real estate transactions involve high-value assets, opaque entities, and processes that can limit transparency because of their complexity and diversity. In addition, the real estate market can be an attractive vehicle for laundering illicit gains because of the manner in which it appreciates in value, "cleans" large sums of money in a single transaction, and shields ill-gotten gains from market instability and exchange-rate fluctuations.⁶⁴

Money laundering is a crime orchestrated to conceal the source of illegal proceeds so that the money can be used without detection of its criminal source.

FinCEN warns these real estate actors to watch for cash purchases of units by shell companies. But real estate agents and professions are not well-equipped to be enforcers of disclosure laws. It is in their interest to facilitate deals, especially when buyers are paying cash for multi-million dollar condominiums. A 2.5 percent commission for a real estate buyer's agent on the sale of a \$6 million condominium is \$150,000. Do you really care who your buyer is and where their money comes from?

In their Geographical Targeting Orders, FinCEN has focused on seven major geographical areas for special monitoring: New York City, Miami, Los Angeles, San Francisco, San Diego, and San Antonio. Hawaii was recently added to the list. The amount of cash necessary to trigger suspicion varies from city to city, depending on the level of the real estate market. For example, in San Antonio a cash payment surpassing \$500,000 is considered highly suspect, whereas in Manhattan payments under \$2,000,000 are not considered unusual. San Antonio's housing market is not particularly hot. Due to its proximity to the border and generally lower cost of living, cash payments this large are red flags for money laundering. Institutional real estate professionals in these cities are encouraged to file "Suspicious Activity Reports" (SARs) if they suspect unusual transactions.

As of February 2018, FINCEN requires that an LLC opening a bank account must prove the identity of any "beneficial owner" that owns more than a 25 percent ownership stake in LLC. They are effectively requiring banks to be responsible for tracking ownership. There are several limitations here: A bank account is not a public disclosure. Secondly, a buyer paying with cash, wired from an international bank, would be able to bypass this oversight provision. Finally, a family or business could break ownership into five parts equal to 20 percent each, eliminating the need for disclosure.

Red Flag Properties in Boston

Should FINCEN monitor Boston? Boston is not included in the list of cities that FinCEN takes particular interest in. However, this does not mean that it lacks suspicious activity.

Based on our own cursory research and a few random checks, here are several examples of unusual transactions in luxury buildings in Boston.⁶⁵ In many cases, we were unable to "pierce the corporate veil" due to the high number of properties owned by trusts and

LLCs organized in the state of Delaware. An estimated 38.2 percent of the LLCs owning these Boston properties are incorporated in Delaware.

The Mandarin Oriental is full of units owned by shell companies and purchased with cash.

- Unit W10A at the Mandarin Oriental was purchased on July 15th, 2014 with \$6.2 million in cash by a shell corporation called Mosa Boston Ltd. The corporation is incorporated in the Cayman Islands, sharing a post office box with other corporations linked to the Panama Papers disclosure. The company's president is Mosa Omram Mohammed al Omram of Saudi Arabia, a board member of Banque Saudi Fransi.
- Down the hall in the Mandarin Oriental is Unit 12 B, sold on March 7th, 2014 for \$11.95 million cash by Underhill Holdings LLC to Chi Yu Liang, a trustee for an anonymous buyer.
- Apartment 9C in the Mandarin Oriental is owned by a Delaware-based LLC called E9C Inc. It is valued at \$5.1 million and there is no record of it in the Multiple Listing Service.
- One of the Penthouse apartments, number 1D, is owned by Silverstone Estate LLC, organized in Delaware. It was acquired through a cash purchase of \$4.6 million.
- At **Le Jardin**, a small luxury building, has a high number of units owned by shell companies. Apartment 7 was purchased for \$9.2 million in cash by the Suwellyn LLC, with an address listed at an office in Woburn, MA. Suwellyn LLC is organized in the state of Delaware and with an address at a \$9.9 million property in Hobe Sound, Florida.
- Down the hall is Apartment 3A, acquired with \$7.2 million in cash, by Golden LLC with addresses listed in Coral Gables and Estero, Florida.
- **Harbor Towers.** Over at the Harbor Towers, Apartment 37B is owned by Warrington, LTC, an LLC incorporated in the Bahamas but with a mailing address at a luxury condominium complex at 3500 Galt Ocean Drive in Fort Lauderdale, Florida. The owner of this condo is the Fisher Corporation, the registered agent for a number of properties. The Fisher Corporation's address is down the street at 3400 Galt Ocean Drive in a unit owned by the Fisher

Corporation. The company's agent is George Moraitis who is also a Republican member of the Florida House of Representatives, representing Florida's 93rd district stretching from Boca Raton to Hollywood in eastern Broward County. Moraitis is also the registered agent for 3300 NE 32nd Street LLC, which is also the address of a popular Fort Lauderdale Steakhouse called Jackson's Prime.

- Millennium Tower has a lot of obscured ownership. 64 units in the building are owned by LLCs organized in the state of Delaware. This is 54 percent of the 119 LLC owners in the building. *Commonwealth Magazine* reported that 55 percent of the properties in the Tower were purchased with cash.⁶⁶
- Osoul Holding De II Inc. an LLC organized in Delaware, owns two units in the Millennium Tower. Apartment 3703 is valued at \$4.2 million and the second unit is valued at \$3.6 million. There is no record of the transaction in the Multiple Listings Service. Apartment 4002 is valued at \$4.9 million and owned by Paratope LLC, incorporated in Delaware. There is no evidence of a real estate transaction in the Multiple Listings.

There may be nothing illegal or untoward in these transactions. But in other jurisdictions, such transactions would invite greater scrutiny.

Why Is It Harder to Get a Boston Library Card Than to Create a Shell Company for Illicit Activities?

Report co-author Emma De Goede is a full-time student at Wellesley College. Working this summer as a researcher at the Institute for Policy Studies, Emma lived with her aunt and uncle in West Roxbury. After her arrival, Emma was excited to visit the West Roxbury branch of the Boston Public Library and get her own library card. But she was turned away without a card.

In order to get a library card from the Boston Public Library, you need to prove you are a real person and that you reside at a real address, not a post-office box. You must present yourself in person at a Library branch and prove who you are and where you live.

To succeed in getting a library card, you need a Massachusetts ID with your address, such as a driver's license. Lacking that, you need official mail sent to you at your Boston address, such as a utility bill, mortgage statement, or bank statement. But Emma is a young person in college and her family lives in California. She doesn't have any of the proper forms of ID. She doesn't own property or receive utility bills.

Emma loves the Boston Public Library. She has spent hours studying in the historic Reading Room at the main BPL branch when she needed to get off campus. And she supports the library protecting its collection against theft.

When Emma went online to start a criminal enterprise-- a sex and drug trafficking website that also sells ivory elephant tusks, she had no trouble creating a Limited Liability Company in the state of Delaware. Using this LLC she could acquire web domains, purchase services and even purchase Boston real estate with cash to launder illicitly obtained revenue and avoid taxes. Okay, we were kidding about the sex and drug trafficking and ivory thing. But Emma could use an anonymous email account, a post-office box, and an ambiguous name to form her LLC. But she still can't get a Boston Public Library card. That's no joke.

A Case Study in Excess: One Dalton Place

Almost everything that is wrong with the luxury building boom in Boston is embodied at One Dalton Place. One Dalton, a project approved under the previous city administration, is first and foremost a monument to the grotesque inequality of income and wealth in Boston.

One Dalton, still under construction in Boston's Back Bay, recently reached its full height at 61 stories.⁶⁷ The project promises to be Boston's "tallest and most luxurious residential building ever."⁶⁸ The bottom 24 floors will be owned and managed as a Four Seasons Hotel, with 215 hotel luxury hotel rooms. Rising from the 25th floor will be 160 luxury condominiums, with an average cost per unit of \$6 million.⁶⁹ The penthouse unit will go on the market for a Boston record-breaking \$40 million, surpassing the \$35 million penthouse at Millennium Tower. For context, \$40 million is nearly 700 times the annual median income in the city of Boston.

The future inhabitants of One Dalton Place will enjoy unprecedented amenities including a private theater, salon, golf simulation center, health club, and spa. There are also laundry services, housekeeping, and a 24-hour valet. Marketing materials and the project's promotional video tout the "service-rich lifestyle," a curious euphemism for servants.

Energy Hog. One Dalton Place is not a state-of-the-art green building and its construction has been used to justify the expansion of a pipeline bringing fracked natural gas from Pennsylvania. While Boston is attempting to reduce its greenhouse gas emissions, projects like One Dalton Place are locking the city into new fossil fuel infrastructure. One Dalton has used its political clout to get National Grid to construct a new 4,100-foot gas pipeline but wants other ratepayers to share in the cost.⁷⁰

"The vast majority of residents in both the South End and Back Bay are thinking about coastal flooding," observed neighborhood activist Claire Corcoran, speaking out in opposition to pipeline at a public hearing in January 2018. "We live at sea level. We just had catastrophic flooding last week downtown and we are seeing the maps that the city is producing and it's coming for us. We don't support fossil infrastructure in our community."

State Attorney General Maura Healy filed a brief in January 2018 recommending that the state's Department of Public Utility reject the Special Contract being negotiated

between National Grid and One Dalton Place. The Attorney General said the contract would “set a precedent that would allow customers with the greatest economic resources to avoid paying their full capital investment obligations and obtain special distribution rates at the expense of other customers.”⁷¹

Who is One Dalton for? Tracy Campion is the exclusive sales and marketing agent for One Dalton. In One Dalton’s internal newsletter, Campion is asked, “In the past, the luxury real estate market has attracted many non-resident investors. How is One Dalton different?”

“Well, actually we are not marketing to speculative investors,” Campion replies. “Our developer is acutely aware of all the other luxury properties that have sold to investors, some as much as 100 percent. With that model you create lots of renters which can lead to a building remaining partially uninhabited.” Campion indicates that One Dalton will be a more lively engaging building “where owners actually live.”⁷²

Yet if you look at One Dalton’s marketing approach, these units are being marketed aggressively to foreign investors. The marketing video for One Dalton touts the number of nonstop flights from around the world, with a graphic showing flights from Asia, Europe and the Middle East. As the video touts,

No detail has been overlooked. Concierge services, twenty-four hour doorman, and private elevators to your residence deliver an experience reserved for world’s most discerning clientele. Four Seasons is the most prestigious luxury brand worldwide. And Boston, with over fifty daily nonstop international flights, is now more accessible than ever before.⁷³



From One Dalton's Promotional Video touts 50 daily nonstop international flights to Boston

Immigration Backdoor. One Dalton has also partnered with IBID, a company that facilitates wealthy investors to obtain an EB-5 visa, essentially buying U.S. citizenship rights. IBID reassures their wealthy global clientele that “Bill Gates, Richard Friedman, and Prince Bahrain...have invested in this project.”⁷⁴

Neighborhood Apartheid. One Dalton is designed to be a world unto itself, a gated luxury community in the sky, cut off from neighbors. Indeed, *Architectural Digest* magazine features One Dalton Place in an article about the development’s private park, “Who Needs a Neighborhood when can you have these Wild Amenities?” This article is posted on One Dalton’s web site.⁷⁵

Part of the gated aspect of One Dalton is the ways the building will be turned into its own techno-police security state, designed by an advisory board of global security veterans from U.S. Secret Service, CIA, TSA, and the Department of Homeland Security. One Dalton has contracted with Evolv Technology to develop physical security systems that utilized “advanced sensing and deep learning to ensure a threat-free environment while balancing the everyday pace of life.” One Dalton will be the first residential building to tap Evolv’s advanced surveillance technologies.⁷⁶

Recommendations for Boston

1. Levy A Luxury Real Estate Transfer Tax

Boston should move to institute a transfer tax on real estate transfers over \$2.5 million. Several jurisdictions have implemented or are exploring luxury real estate transfer taxes aimed at accomplishing two goals: 1) to calm surging luxury markets and, 2) to generate revenue for improvement of city services. A recent report by the Urban Institute, "Exploring the Viability of Mansion Tax Approaches," suggests that Massachusetts could raise over \$88 million a year by implementing a luxury real estate transfer tax.⁷⁷

San Francisco. In 2016, San Francisco passed a ballot initiative in order to increase real estate transfer taxes on properties sold for over \$5 million. For properties between \$5 million and \$10 million, the transfer tax is \$11.25 for every \$500, a drastic difference from properties worth between \$1 million and \$5 million that are taxed at \$3.75 per \$500 of value.⁷⁸ Through an unofficial agreement, the city agreed to spend revenue from the new tax on providing free city college tuition and expenses to San Francisco residents. The revenue is expected to exceed \$44 million over the first year.⁷⁹ In addition, approximately \$19 million has been allocated towards street-tree maintenance, an effort that had previously been abandoned due to a lack of allotted funding.⁸⁰

New York City. In 1989, New York State implemented a 1 percent real estate transfer tax on properties sold for more than \$1 million. This tax is be paid by the buyer, unless that buyer is exempt, in which case it will be paid by the seller.⁸¹ New York City Mayor Bill de Blasio has proposed a city "mansion tax" with an additional 1 percent tax on properties over \$1.75 million and 1.5 percent tax on properties sold for over \$5 million.⁸² This levy will bring in an estimated \$180 million to \$200 million a year, which the mayor has proposed be directed to affordable housing.⁸³

British Columbia Foreign Buyers Tax. In 2016, British Columbia introduced legislation that applies a 15 percent tax to property transfers for foreign buyers. The 15 percent is added to the existing transfer tax, which varies from 1-3 percent based on property value. This legislation was inspired by an estimated rise in housing prices of 32 percent between 2015 and 2016.⁸⁴ This rise was attributed to a massive influx of foreign buyers, using the homes as a means of storing their wealth. This tax, along with Vancouver's vacancy tax, will discourage foreign investors and open up housing opportunities for Vancouver's population that were previously unaffordable.

New Jersey. The state of New Jersey has two additional transfer taxes, aside from those based solely on the sales price. The first applies to non-residents of New Jersey: If a non-resident is selling a house in New Jersey, they will be subjected to a 2 percent tax on the sales price of the home. This is in addition to the transfer tax that they pay which is also based on the sales price. The second additional tax is called the "Millionaire's Tax," homes selling for over \$1 million will be subject to a 1 percent tax on the sales price, paid by the buyer.⁸⁵ There are small tax breaks for senior citizens on the base transfer tax, but none apply to the two additional taxes mentioned previously.

Hawaii. In November 2018, voters in Hawaii will vote on a new amendment pertaining to luxury real estate. The measure, "Hawaii Surcharge on Investment Properties to Fund Public Education,"⁸⁶ gives the state legislature of Hawaii the power to enact a surcharge on investment properties (previously defined as investments valued above \$1,000,000). An amended version of the measure was approved for the ballot and would also give the state legislature the power to determine the size of the surcharge and which properties would be affected. The revenue from the surcharge has been earmarked for public education spending.

2. Tax Vacant Properties

A number of jurisdictions have tried to address the problem of vacant properties and create incentives to use a city's housing stock to house people, not wealth.

In most jurisdictions, the definition of vacancy is a property that is not occupied for over six months of the calendar year. Currently, Washington D.C. is one of the few cities to have experience implementing a tax on vacant properties that has been in place longer than five years. Political leaders in high-rent cities like New York, San Francisco, and Oakland have indicated an interest in following suit.

Washington, D.C. In 2010, D.C. City Council passed the Budget Support Act that applied an additional tax on properties, commercial and residential, left vacant for over half of the year. Vacant properties are taxed at a rate of \$5 per \$100 of assessed value. If the property is blighted, it is taxed at a higher rate of \$10 per \$100 of assessed value.⁸⁷ Operating under the Department of Consumer and Regulatory Affairs, the Vacant Building Enforcement Unit determines the category of each parcel: occupied, vacant, or blighted. Exempt properties are limited to those that are currently under construction, have had a change in ownership in the past calendar year, and/or are the subject of a probate proceeding or active litigation.⁸⁸

To learn something about regulating vacancies, one must look outside of the United States at the experience of multiple cities including Vancouver, Paris, and Melbourne. These cities have enacted laws that tax or fine owners of properties left vacant.

Vancouver, Canada. In July 2017, Vancouver legislated a new property tax on vacant properties called the Empty Homes Tax. This new tax targets residential property in order to combat the recent housing crisis caused by landlords' lack of willingness to enter into rental agreements. Under the Empty Homes Tax, also referred to as the Vacancy Tax, vacant residential properties are taxed at a rate of 1 percent of their assessed values. Similar to D.C., homeowners can apply for exemption if their properties are under construction, have been recently sold, or are located in an area with rental strata restrictions.⁸⁹

Melbourne, Australia. In 2017, the Victorian state government introduced a Vacant Residential Property Tax under the State Taxation Acts Amendment Bill, a law that will levy a tax on homes that remain unoccupied for over half of the calendar year. Almost identical to Vancouver's legislation, the imposed tax will be 1 percent of the properties' assessed value and will apply only to residential properties, leaving commercial properties exempt. Exemptions can also be obtained if the property in question is a vacation home for an Australian resident or a unit used for work. The tax will be applied based on self-reporting of homeowners.⁹⁰

Paris, France. In Paris, a trend of extreme vacancy led to the 2015 introduction of a tax on vacant homes equal to 20 percent of the properties' market rent values. In 2017, the city decided to triple this tax to 60 percent in order to increase the legislation's efficacy. As of late 2017, approximately 7.5 percent of homes remain unoccupied. Due to the city's compact nature, new housing development is difficult, making lowering vacancy rates imperative.⁹¹

New York, NY. New York's vacancy struggle is mainly rooted in empty commercial properties. Mayor Bill de Blasio has proposed a vacancy tax that would levy a fee on property owners who refuse to lease their spaces. Landlords are skeptical of entering into leases that are often long term and price fixed, opting instead to wait until market rent increases to a more profitable level. This strategy has led to empty storefronts and barren neighborhoods.⁹²

San Francisco, CA. San Francisco currently has an annual flat fee of \$711 that homeowners pay for properties that remain unoccupied for six months or more in a calendar year. However, this fee is imposed based on self-reporting. A meager 38 residential and 47 commercial properties registered this year, leaving much to be

desired.⁹³ Unfortunately, introducing a vacancy tax could be constrained due to California's Prop 13 property tax cap.

London, UK. In the United Kingdom, the government granted local governments the ability to impose a vacancy tax of 100 percent on properties left unoccupied within their municipalities. Previous to this legislation, local authorities had the ability to tax vacant properties at a rate of 50 percent. However, many find it dubious that local authorities will do so. Imposing a large vacancy tax could potentially deter prospective homeowners from buying secondary residences.⁹⁴

3. Require Luxury Buildings to Be Net-Zero-Carbon Emissions

Boston should champion the construction of net-zero-carbon buildings, with an initial focus on the luxury housing boom. All new luxury construction in Boston should meet Net-Zero-Carbon or passive house standards and the city should explore a range of incentives and planning tools to meet this goal. The Boston Clean Energy Coalition argues that "these measures would ensure that Boston's new buildings would be state-of-the-art in terms of energy efficiency, and save the city's resources from being spent on future retrofits."⁹⁵

4. Disclosure of Beneficial Ownership in Real Estate

We know that aggressive wealth hiding has undercut the ability of civil society to tax and regulate the distorting impact of concentrated wealth on democratic institutions. Trillions in wealth are delinking from the nation-state system, circulating the globe in search of tax havens. A conservative estimate is that \$8 trillion is hidden globally by high-net-worth individuals through the interacting use of trusts, shell corporations, and offshore accounts.⁹⁶

The challenges of increasing transparency and disclosure have been undercut by a global "race to the bottom" in disclosure standards in different jurisdictions. As a result, if Ireland or Delaware change their policies to levy taxes or require greater disclosure, global corporations and private wealth will move to other less-demanding jurisdictions such as Bermuda and Wyoming.

With luxury real estate development, however, property is rooted in a finite number of desirable jurisdictions that are enhanced by strong property rights protections, functioning and effective representative governance, and publicly-financed amenities.

This explains why money is moving from less stable closed societies – Russia, China, and petro-dictatorships –to the U.S., Canadian and UK metropolitan areas.

Cities like London, Dublin, Toronto, New York, Boston, Seattle and Vancouver are in a unique position to capture a portion of this global wealth and invest it to offset the deleterious impacts. Whether these governing coalitions will challenge the powerful real estate interests in these jurisdictions is a proposition to test out.

A number of jurisdictions are struggling to institute disclosure of “beneficial ownership,” both of corporations and real estate ownership. A company’s “beneficial owner” is defined as the natural person (or persons) who reaps the rewards associated with owning said corporation. When companies are not required to disclose the identity of their beneficial owners, the window for money laundering and terrorism financing is left open. Criminals are able to maintain anonymity when conducting fraudulent transactions because they hide behind ambiguous corporations, referred to as “shell corporations.” A shell corporation is a corporation that offers essentially no service or products other than providing its owner with a cloak of invisibility. In order to prevent these crimes, many states worldwide have taken action to legislate a mandated beneficial ownership disclosure.

While efforts in the UK to require disclosure of beneficial ownership of corporations has made progress, the U.S. has lagged behind. Local U.S. jurisdictions, however, may have greater success pressing for disclosure of ownership interests in real estate. As Boston area attorney Robert Nessen writes,

What if the identities of these beneficial owners had to be recorded on the public record in order to allow these beneficiaries to have any legal rights, remedies, or claims with respect to the real estate? For example, if a tenant defaulted on the payment of rent, only the beneficial owner would have the right to assert a claim for the arrearages. If a disputed lien were placed upon the property, only if you were a disclosed beneficiary could you enter or claim a defense against the lien.⁹⁷

One clear advantage to this approach is that deed recording systems already exist in every jurisdiction. Increased disclosure of beneficial ownership could be implemented on a city, county, or state-by-state basis, even with an unwilling and captured federal government. Our local Registry of Deeds could require this disclosure with the recording of deeds.

Real estate advocates will argue that they need to limit liability to protect themselves and make investments. But the reality is many states require limited liability companies

to disclose their real beneficial owner. Our communities can have both investor protections against liability and greater transparency.

European Union. On May 20th, 2015, the European Union released a directive whose purpose was the “prevention of the use of the financial system for the purposes of money laundering or terrorist financing”⁹⁸ Under the directive, the law states that all member states of the European Union must demand verification of beneficial ownership prior to corporations making any business transactions. Upon receiving this information, states are to create a registry containing a record of the beneficial owners of each corporation. Each member of the EU was given the deadline of June 26th, 2019, to submit a report on the status of their register to the European Parliament to ensure an efficient coordination of all European states’ registers. One potential loophole in the directive is an exemption that applies to those who are “put at risk through the disclosure of their identity or if the beneficial owner is a minor.” Each exemption will be reviewed on a “case by case” basis.

Other jurisdictions are exploring transparency specifically in real property ownership.

United Kingdom. The United Kingdom, in the process of separating from the European Union, is considering legislation requiring transparency of property ownership. This policy change was motivated by the growing number of overseas millionaires who prefer to pay exorbitant taxes on their properties in London rather than disclose individual ownership.⁹⁹ This trend hints at evidence of widespread money laundering and has given the UK government motivation to increase financial transparency in the local real estate market. New legislation, introduced by the Conservative Party governing coalition, would require disclosure of beneficial ownership in UK real estate by foreign corporations, taking effect in 2021.

5. Reform of State Incorporation Laws

One of the factors that makes Boston real estate vulnerable to criminal activity are the number of shell companies organized in Delaware. There are over one million LLCs registered in Delaware, providing the state with an estimated \$776 million in annual revenue, the state’s second largest source of revenue after its personal income tax.¹⁰⁰

A coalition of civic groups in state, the Delaware Coalition for Open Government, have urged Delaware’s Attorney General Matt Denn to investigate the state’s system of incorporating limited liability corporations. They urged him to appoint a special counsel to investigate the abuses of the state laws. The state’s weak transparency

provisions enable Delaware LLCs to be used as “fronts to commit crimes,” said a petition advanced by the coalition.¹⁰¹ Our cities and state could join the chorus of calls pressing for Delaware to reform its corporation laws.

6. Federal Initiatives

Elected officials in Massachusetts should take the lead in co-sponsoring and advancing legislation to bring greater transparency at the national level. At the federal level, lawmakers are advancing legislation to expand the monitoring of dirty money in real estate from a targeted number of cities to a national oversight. As discussed earlier, FinCEN closely monitors only a handful of jurisdictions for the potential criminal use of illicit funds and anonymous shell corporations to purchase real estate.

Florida Senator Marco Rubio (R-FL) has sponsored amendments to require the Treasury Department to study whether FinCEN oversight should be expanded to require shell companies that purchase properties with over \$300,000 in cash to disclosure their beneficial owners. This could subject as much as 10 percent of the country’s real estate to greater oversight.

In Miami, where a disclosure requirement has existed on cash property transactions priced at over \$1 million, the rule change has had a chilling effect on all-cash transactions in Miami-Dade County. As soon as the order took hold in March 2016, the number of corporate cash sales plummeted 95 percent.¹⁰²

A group of two-dozen state attorney generals have joined together to press Congress to act to force great transparency of shell companies. This group of top state law-enforcers asked Congress for the tools to investigate money laundering, human trafficking, drug networks, and other illegal activities. In their letter to Congress, they observed, “Our investigations can stall when these companies are used to hide the identify of individual or individuals who control or profit from the company.”¹⁰³

Passage of the Corporate Transparency Act of 2017, introduced by Rep. Carolyn Maloney (D-NY) would go further in requiring disclosure of beneficial ownership.¹⁰⁴

Conclusion

We hope this report will sound the alarm for all Bostonians. Without greater scrutiny, the city of Boston will, in a very short time, be transformed by this luxury housing boom into a drastically different community.

We know that this boom will create short-term benefits for the city, particularly for workers in the building trades. But it will also worsen income and wealth inequality in the city of Boston, fueling greater polarization. It may also worsen the existing affordable housing crisis. And it may unnecessarily expose our city to illicit activities connected to global money laundering and tax avoidance.

We need our city and state elected officials to ask critical questions about the pros and cons of Boston's real estate boom. We need our public officials to protect Boston's current residents, both today and over the long term. We need our news media and academic research community to critically evaluate the questions raised by this report and continue to ask more.

With a very limited amount of resources, the authors of this report examined the multiple potential perils of Boston's luxury housing boom. With further examination, we could uncover more information about who is buying Boston. We could analyze the growing number of cash transactions to understand the risks of illicit money flows. We could explore the environmental implications of the thousands of luxury units being built in energy inefficient buildings. We could understand the risks along side the benefits, and work to create a Boston that works for everyone and that we can be proud of.

Appendix A

The following appendix contains records of donations made to the campaign of Mayor Marty Walsh, all of which can be found on the website for the Massachusetts Office of Campaign and Political Finance at:

<http://www.ocpf.us/Filers?q=Martin%20J%20Walsh&cat=A>.

St. Regis apartments, The Cronin Group:

4/11/2017 **Cronin, John** Boston MA 02210-2252 Principal Cronin Group Llc \$1,000.00
500 Atlantic Ave, Unit 16K

12/13/2012 **Cronin, John** Boston MA 02210 Principal Cronin Group Llc \$500.00
500 Atlantic Ave 16k

Developer of Pierce Boston in Fenway, Samuels & Associates:

12/5/2016 **Samuels, Steven B.** Brookline MA 02445-5927 President Samuels & Associates \$1,000.00
284 Warren St

11/27/2013 **Samuels, Steven B.** Brookline MA 02445-5927 President Samuels & Associates \$250.00
284 Warren St

10/26/2013 **Samuels, Steven B.** Brookline MA 02445-5927 President Samuels & Associates \$250.00
284 Warren St

The Belvedere Residences' developer and his wife:

1/22/2014 **Moriarty, Carol C** Winchester MA 01890-3134 Homemaker At home \$500.00
25 Prospect St

2/12/2015 **Moriarty, Carol C** Winchester MA 01890-3134 Homemaker At home \$1,000.00
25 Prospect St

2/12/2015 **Moriarty, John J** Winchester MA 01890-3134 President John Moriarty & Associates \$1,000.00
25 Prospect St

8/29/2013 **Moriarty, John J** Hingham MA 02043-2626 Construction Shawmut Design & Construction \$500.00
140 Fort Hill St

1/22/2014 **Moriarty, John J** Winchester MA 01890-3134 Builder John Moriarty and Associates \$500.00
25 Prospect St

3/7/2014 **Moriarty, John J** Hingham MA 02043-2626 Construction Shawmut Design & Construction \$500.00
140 Fort Hill St

The developer of 22 Liberty and 50 Liberty, Joseph F Fallon:

10/30/2013 **Fallon, James E.** Boston MA 02127-2281 Owner Perkin's Square Deli \$500.00
106 Dorchester St

6/30/2014 **Fallon, Joseph F** Belmont MA 02478-2126 Owner The Fallon Companies \$500.00
124 Wellesley Rd

10/29/2014 **Fallon, Joseph F** Belmont MA 02478-2126 Owner The Fallon Companies \$500.00

124 Wellesley Rd

7/15/2013 **Fallon , Joseph F** Belmont MA 02478-2126 Owner The Fallon Companies \$500.00
124 Wellesley Rd

3/16/2015 **Fallon , Joseph F** Belmont MA 02478-2126 Owner The Fallon Companies \$1,000.00
124 Wellesley Rd

The developer of Echelon Seaport:

5/29/2017 **Shing, Hon Kit** Pasadena CA 91105-1850 Real Estate Developer Cottonwood Management, LLC \$1,000.00
277 W Green St, Unit 302

HYM Investment Group, the builder behind Bullfinch Crossing:

2/16/2014 **O'Brien , Thomas** Lexington MA 02420-1812 Lawyer The HYM Investment Group, LLC \$500.00
56 North St

7/31/2013 **O'Brien , Thomas** Lexington MA 02420-1812 Lawyer The HYM Investment Group, LLC \$500.00
56 North St

12/17/2014 **O'Brien , Thomas** Lexington MA 02420-1812 Lawyer The HYM Investment Group, LLC \$500.00
56 North St

Richard Friedman, Carpenter & Company, One Dalton's developer:

8/29/2013 **Friedman , Richard L** Cambridge MA 02138-5756 President Charles Hotel \$500.00
20 University Rd

6/5/2017 **Friedman, Richard L** Cambridge MA 02138-5756 President Charles Hotel \$500.00
20 University Rd

Developer of 40 Trinity Place, The Architectural Team:

6/7/2016 **Verrier, Robert J** Lexington MA 02421-6656 Architect The Architectural Team \$1,000.00
14 Harbell St

3/13/2016 **Verrier, Robert J** Lexington MA 02421-6656 Architect The Architectural Team \$500.00
14 Harbell St

5/18/2018 **Binette, Michael D.** Topsfield MA 01983-1012 Architect The Architectural Team \$1,000.00
3 Linebrook Rd

4/3/2017 **Binette, Michael D.** Topsfield MA 01983-1012 Architect The Architectural Team \$500.00
3 Linebrook Rd

3/20/2017 **Binette, Michael D.** Topsfield MA 01983-1012 Architect The Architectural Team \$500.00
3 Linebrook Rd

2/29/2016 **Binette, Michael D** Topsfield MA 01983-1012 Architect The Architectural Team \$500.00
3 Linebrook Rd

5/18/2015 **Binette, Michael D** Topsfield MA 01983-1012 Architect The Architectural Team \$1,000.00
3 Linebrook Rd

4/18/2014 **Binette , Michael D** Topsfield MA 01983-1012 Architect The Architectural Team \$500.00

3 Linebrook Rd

8/28/2013 **Binette , Michael D** Topsfield MA 01983-1012 Architect The Architectural Team \$500.00

3 Linebrook Rd

3/14/2013 **Binette, Michael** Topsfield MA 01983-1012 Architect The Architectural Team \$500.00

3 Linebrook Rd

10/5/2011 **Binette, Michael D** Topsfield MA 01983 Architect The Architectural Team \$500.00

3 Linebrook Rd

2/27/2016 **Liu, Michael E.** Newton Highlands MA 02461-1249 Architect The Architectural Team \$500.00

1080 Walnut St

Charles V. Reed, Founder of CNW Partners, developer of 25 Beacon Street:

1/29/2016 **Reed, Charles V** Cambridge MA 02138-4803 VP Raymond Properties \$250.00

12 Ash Street Pl

7/17/2015 **Reed, Charles V** Cambridge MA 02138-4803 VP Raymond Properties \$250.00

12 Ash Street Pl

4/21/2015 **Reed, Charles V** Cambridge MA 02138-4803 VP Raymond Properties \$250.00

12 Ash Street Pl

Principles and Managers of New Boston Ventures, developer of The Boulevard:

3/1/2017 **Kanin, Dennis** Newton MA 02459-1210 Developer New Boston Ventures \$1,000.00

65 Stuart Rd

12/2/2016 **Kanin, Dennis** Newton MA 02459-1210 Developer New Boston Ventures LLC \$1,000.00

65 Stuart Rd

9/23/2015 **Kanin, Dennis** Newton MA 02459-1210 Developer New Boston Ventures \$1,000.00

65 Stuart Rd

2/21/2017 **Goldman, David** Boston MA 02116-5358 Developer NBV \$1,000.00

100 Arlington St, Unit 8D

12/12/2016 **Goldman, David** Boston MA 02118 Real Estate NBV \$1,000.00

1672R Washington street PH2, Ph 2

9/23/2015 **Goldman, David** Boston MA 02118-3475 Developer NBV \$1,000.00

1672 Washington St, Ph 2

2/27/2017 **Savatsky, Marc** Boston MA 02127-3260 Builder New Boston Ventures \$100.00

778 E 5th St, # 2

11/4/2016 **Savatsky, Marc** Boston MA 02127-3260 Builder New Boston Ventures \$100.00

778 E 5th St, # 2

9/23/2015 **Savatsky, Marc** East Boston MA 02128-2246 Developer New Boston Ventures \$250.00

68 Cottage St

9/14/2014 **Savatsky , Marc** East Boston MA 02128-2246 \$125.00

68 Cottage St

47 Lagrange Street developer, The Matteson Company founder, John M. Matteson:

6/21/2018 **Matteson, John Michael** Boston MA 02210-1535 Real Estate Management Archer Group \$1,000.00
49 Melcher St, Unit 501

1/20/2017 **Matteson, John Michael** Boston MA 02210-1535 Real Estate Management Archer Group \$250.00
49 Melcher St, Unit 501

2/2/2016 **Matteson, John Michael** Boston MA 02210-1535 Real Estate Management Archer Group \$250.00
49 Melcher St, Unit 501

Parcel K developers, Lincoln Property Company:

9/29/2014 **Pogue , A Mack** Dallas TX 75221-1920 Executive Lincoln Property Co. \$500.00
PO Box 1920

1000 Boylston Street Developer, Weiner Ventures:

4/26/2017 **Weiner, Adam** Chestnut Hill MA 02467-2938 Owner Weiner Ventures \$1,000.00
101 Fernwood Rd

12/13/2016 **Weiner, Adam** Chestnut Hill MA 02467-2938 Owner Weiner Ventures \$1,000.00
101 Fernwood Rd

End Notes

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MLS Property Information Network ([https://h3i.mlspin.com/signin.asp](http://h3i.mlspin.com/signin.asp));, and

OpenCorporates (opencorporates.com). The data used in analyzing unit value, LLC and Trust percentages, and residential exemptions was pulled from the City of Boston Assessors Office through property address search. Information on cash purchases and mortgages was obtained through ownership searches of the Suffolk County Registry of Deeds. Sales prices and owner history were researched through the MLS Property Information Network, a search engine primarily used by real estate professionals. In terms of data on Delaware registered companies, all LLCs are researched on the OpenCorporates website, which discloses the state of registry for every registered limited liability corporation.

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