

Source: Konstantin A. Kholodilin, "Rent Control Effects Through the Lens of Empirical Research: An Almost Complete Review of the Literature," *Journal of Housing Economics*, 2024

## IMPLICATIONS FOR RENT CONTROL:

The findings confirm that rent control policies exacerbate housing shortages and quality declines, particularly in urban areas with already tight markets. Instead of improving affordability, rent control creates a ripple effect of reduced supply, declining housing conditions, and market distortions that harm both tenants and housing providers.



LINK TO STUDY

## The Impact of Rent Control on Housing Supply and Quality

# KEY FINDINGS:

### 1. Housing Supply Reduction:

- Rent control policies consistently reduce the availability of rental housing. Landlords often convert rental units into owner-occupied homes or other uses to avoid regulations, shrinking the rental stock.
- Studies highlight that supply constraints are compounded by reduced incentives to build new rental housing.

### 2. Deteriorating Housing Quality:

- Rent control leads to deferred maintenance, as landlords face restricted revenues and rising operational costs. This results in aging and deteriorating housing stock.
- Tenants in rent-controlled units often experience lower housing standards compared to tenants in market-rate housing.



### 3. Limited Market Mobility:

- Rent control discourages tenants from moving, even when their housing needs change, resulting in inefficient allocation of housing.
- This stagnation contributes to housing shortages for new renters and larger households in need of space.



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