

## IMPLICATIONS FOR RENT CONTROL:

This study confirms that rent regulation policies fail to achieve their intended outcomes and instead exacerbate housing shortages, reduce quality, and harm local economies. By discouraging new construction and incentivizing disinvestment, rent control policies actively undermine housing affordability and availability.



LINK TO STUDY

## KEY FINDINGS: How Rent Control Undermines Housing Supply, Quality, and Affordability

### 1. Reduces Housing Supply:

- Rent regulation consistently decreases the number of available rental units by disincentivizing investment and encouraging conversions to owner-occupied housing or alternative uses.
- Landlords often remove units from the market through condominium conversions or by repurposing properties due to revenue caps imposed by rent regulations.

### 2. Deteriorates Housing Quality:

- Rent control discourages landlords from maintaining or upgrading properties, leading to **aging and deteriorating housing stock**.
- Buildings subject to rent regulation experience higher rates of deferred maintenance, compromising tenant safety and housing conditions.



### 3. Hinders New Construction:

- Even when rent control excludes new construction, investors anticipate future regulatory risks, lowering the value of new projects and reducing long-term supply.
- Increased regulations lead to a decrease in financial feasibility for developers, particularly for affordable multifamily housing.



### 4. Misallocates Housing Resources:

- Rent-controlled units are often occupied by higher-income tenants, as there is no income testing for eligibility.
- This disproportionately benefits wealthier households, leaving fewer affordable units for those in need and worsening housing inequality.

### 5. Harms Local Economies:

- Rent control reduces the property values of both regulated and neighboring properties, leading to declines in **local tax revenues** used to fund schools, infrastructure, and public services.

#### CONTACT INFO: