Rent control is the subject of a great deal of public debate, most of which does not focus on its direct impacts on tenants but on potential indirect effects or “unintended consequences.” Unfortunately, while some housing economists have called for an evidence-based approach to understanding rent control, the debate is heavily influenced by anti-rent control perspectives from the real estate industry, as well as “economics 101” theory that says any limit on prices will dampen incentives for building, reduce supply, and increase rents. However, as economist Gary Painter notes, an equally valid economic theory is that in tight rental markets (where developers and landlords have market power), rent control can increase supply: if housing developers cannot generate extra profit through rent increases, it creates an incentive to build more units.

Evidence suggests this is the case in California, where overall production is too low, but cities with rent control are building far more apartments than cities without regulations.

Researchers at the University of Southern California recently reviewed the literature and found clear positive impacts on tenant stability and affordability (as described in the next section), while the evidence for many negative unintended consequences is weak or inconclusive. Moreover, if there are negative effects, they can be mitigated by closing loopholes, strengthening other tenant protections, and other policies and investments.

**Rent Control Does Not Decrease Housing Production.** In general, other factors including overall market conditions and zoning have far more influence over new housing supply than the presence of rent regulations. Multiple longitudinal studies of rent control in New Jersey have found no discernible impact on construction rates. After the repeal of rent control in Boston, construction rates decreased for multifamily buildings, even as rents nearly doubled in eight years.

**Rent Control Is Not the Chief Cause of Rents Increasing in Non-Regulated Units**, and can even be protective against such increases. In Massachusetts (before it was abolished), California, and New Jersey, rent control either slightly increased affordability in non-controlled units or had no effect. One study of rent control in San Francisco found that landlords converting their buildings to condos or otherwise removing them from the rental stock led to a decline in supply and an increase in rents—suggesting that the problem is not rent control itself but loopholes that need to be closed.

**Rent Control Does Not Necessarily Lead to Declines in Maintenance.** The empirical research is ambiguous on the relationship between rent control and building quality. In Boston and elsewhere, the loosening of rent control fueled gentrification and largely cosmetic building improvements. Yet in New Jersey, rent control had no negative impact on plumbing, a critical health and safety issue. When strong eviction protections are in place, rent control can provide tenants with leverage to attain improved conditions (see page 31). In Washington, DC, the share of physically deficient units quickly declined after rent stabilization and 61 percent of tenants said they were more willing to insist on repairs.

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3. The three largest Bay Area cities with rent control (San Francisco, San Jose, and Oakland) have 27 percent of the region’s housing but built 43 percent of the Bay Area’s new multifamily rental units in buildings with five or more units since 2000. The city of Los Angeles has 42 percent of the housing in Los Angeles County, has built 62 percent of new multifamily rentals since 2000 (see Nicole Montojo, Stephen Barton, and Eii Moore, “Opening the Door for Rent Control: Toward a Comprehensive Approach to Protecting California’s Renters,” Policy Brief (Haas Institute for a Fair and Inclusive Society, 2018), http://haasinstitute.berkeley.edu/sites/default/files/haasinstiute_rentcontrol.pdf).


9. The USC researchers note that the pressures driving up rents in San Francisco in recent years are so severe that it could be the case that the increase in rent costs could have been even higher in the absence of rent control. Rebecca Diamond, Timothy McQuade, and Franklin Qian, “The Effects of Rent Control Expansion on Tenants, Landlords, and Inequality: Evidence from San Francisco” (January 8, 2018). For another critique, see Tenants Together, Dean Preston, and Shanti Singh, “Rent Control Works: A Response to Business School Professors’ Misguided Attacks” (Tenants Together, March 12, 2018), https://medium.com/@TenantsTogether/rent-control-works-a-response-to-business-school-professors-misguided-attacks-1305d9770f7f.


11. For example, David P. Sims, “Out of Control,” In Boston, loosening controls did not significantly improve functional maintenance, even as cosmetic repairs increased.

12. Gilderbloom and Ye, “Thirty Years of Rent Control”; Gilderbloom, “Moderate Rent Control.”

13. The rent-controlled units were actually less deficient than non-controlled units, despite being less expensive: 20 percent of rent-stabilized units were deficient, compared to 25 percent of non-controlled units. Of 3,600 renters surveyed, 80 percent said that building maintenance was as good or better than it had been in the absence of rent stabilization; low-income renters, especially, said rent regulation made them more willing to insist on repairs. Turner, Housing Market Impacts of Rent Control, 75, 86.