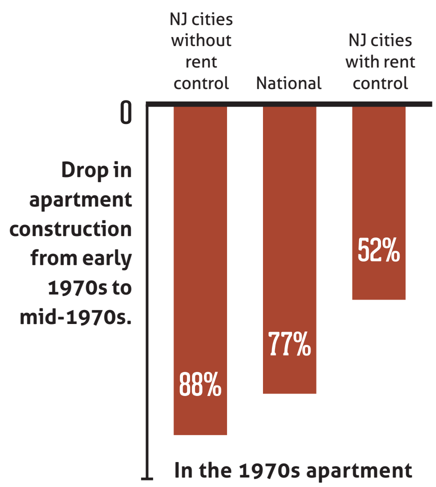
SHELTERFORCE

The Answer

Q: Do rent regulations make the housing crisis worse?

A: No!

Despite common fears, decades of evidence shows that rent regulation doesn't restrict housing supply and quality.[1]



In the 1970s apartment construction fell much faster in the New Jersey cities that *did not* enact rent control.[6]

"New York City's two greatest housing construction booms in the 20th century occurred during 1921–28 and 1947–1965, periods when stricter rent controls were in effect than any around or proposed today."[5]

Before Repeal of Rent Regulation	4 Years After Repeal of Rent Regulation
4% vacancy	2.9% vacancy[2]
$740 median rent for 2-BR advertised in *Boston Globe*	**$1700 median rent for 2-BR advertised in *Boston Globe*[3]**

And in that same time period the homeless population doubled[4]

Boston's rent regulations were repealed and phased out from 1994 to 1997. By 2001, it was clear this had not helped the housing market.

Economists Don't Actually Hate Rent Control

Modern rent regulations generally don't apply to new construction (unless a developer opts into them to access a subsidy), so there is no disincentive to construction. They allow for annual increases in rent, often pegged to inflation. They also often allow for rent increases for capital improvements, hardship exemptions, and exemptions for owner-occupied properties. In other words, they are structured not to interfere with the viability of rental housing, merely to improve housing stability in appreciating markets.

So when you hear the claim "All economists say rent control doesn't work," it's important to know that it is based on a single 1984 survey that asked about a blanket, fixed "price ceiling" on all rents, which does not describe any rent regulation current or proposed.[7]

1 John Gilderbloom, "Rent Control Reconsidered: The Impact of Moderate Rent Control on 60 New Jersey Cities over a 20-Year Period," 2003. Peter Marcuse, Housing Abandonment: Does Rent Control Make a Difference? Policy Report, No. 4. (Washington, D.C.: Conference on Alternative State and Local Policies, 1981.)
2 U.S. Bureau of the Census, Housing Vacancies and Homeownership, 2001, Table 5, "Rental Vacancy Rates for the 75 Largest Metropolitan Areas: 1986 to 2001."
3 Greenberger, "Menino Offers Rent Control Plan," Boston Globe, October 20, 2002.
4 Ibid.
5 New York City Department of City Planning, New Dwelling Units Completed 1921-present.
6 Michael Mandel, "Does Rent Control Hurt Tenants?: A Reply to Epstein," 54 Brooklyn L. Rev. 1267, 1273 (1989); citing John Gilderbloom, Moderate Rent Control: The Experience of U.S. Cities (1980).
7 Frey, Pommerehne, Schneider and Gilbert, "Consensus and Dissension Among Economists: An Empirical Inquiry," 74 Am. Econ. Rev. 986 (1984).

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