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

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.²

Thanks to New York State Tenants and Neighbors and Timothy Collins, whose paper “Rent Regulation in New York: Myths and Facts” provided most of these citations.

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.”
⁴ Ibid.
⁵ New York City Department of City Planning, New Dwelling Units Completed 1921-present.