

The Unintended Consequences of Rent Control Policies

Rent control policies discourage investment and decrease the housing supply. To improve housing availability and affordability, public policies should encourage growth and support the vitality of communities across America.



Rent control reduces investment and development

Rent control reduces investment and development, yet most Americans prefer policies that increase funding for local programs by attracting more residential and commercial development.

- 71% of housing providers have or expect to reduce investment and development in rent-controlled markets by scaling back plans, shifting to other markets, and canceling plans altogether.
- 67% of housing providers say they would absolutely not invest in another market with strict rent control policies.
- 75% of Americans who want to better fund local programs are looking for policies that attract more residential and commercial development.



7 in every 10 housing providers report that rent control has or is expected to negatively impact investment and development plans.



Rent control deters maintenance and improvements, pushing owners to sell

With rent control in effect, housing providers are faced with the difficult financial strain of absorbing essential maintenance costs and are forced to reduce investments in improvements and nonessential maintenance.

- 61% of housing providers have deferred or expect to defer nonessential maintenance and improvements due to rent control.
- 54% of housing providers say they expect to sell some assets or may consider it as a result.



6 in every 10 housing providers report having or expecting to defer maintenance and improvements on rent-regulated properties.



Rent control policies subsidize high-income residents

Rent control policies are often misunderstood as helping only lower-income households, but these same policies also subsidize high-income residents.

- 58% of housing providers know of higher-income residents who benefit from these policies.
- 49% of Americans misunderstand rent control policies and believe that these policies provide housing assistance to low- and moderate-income households only.



6 in every 10 housing providers are aware of higher-income residents benefiting from rent control.

With rising costs, rent control puts a strain on rental housing providers, particularly small owners, as they struggle to keep up with their financial obligations. This destructive cycle could have far-reaching consequences as it forces owners to consider selling which puts lower-income households at risk.