RHAWA
Rental Housing Association of WA

ECONOMIC ANALYSIS
of Rent Control

Source: Portland State University (2024)

STUDY
#5

IMPLICATIONS FOR RENT CONTROL:

The Portland State University analysis reinforces that rent control policies fail to achieve their intended goals. Instead, they reduce housing supply, deteriorate neighborhood quality, and increase costs for unregulated units. This creates a counterproductive cycle where affordability worsens for many, especially low-income renters.

LINK TO STUDY

KEY FINDINGS:

Impacts of Rent Control on Housing Supply, Quality, and Costs

1. Reduction in Housing Supply:

- Rent control decreases the incentive for property owners to maintain rental properties as rentals.
- Landlords frequently convert rental units into for-sale condos, tenancy-in-common (TIC) units, or other uses to sidestep regulations.
- A Stanford study referenced in this report found that rent control in San Francisco led to a **15% reduction in rental housing supply,** resulting in a **5.1% citywide rent increase.**

2. Deferred Maintenance and Declining Quality:

- Rent control increases financial risk for property owners, leading to deferred maintenance and less investment in property upkeep.
- Over time, neighborhoods experience a decline in property values, which reduces local government tax revenue.
- The MIT study of Cambridge, MA, highlighted a **$2 billion loss in taxable property value** over 10 years due to rent control.

3. Unintended Economic and Social Effects:

- Rent control disproportionately benefits long-term tenants, often at the expense of low-income households who are unable to access regulated units.
- By reducing housing mobility, rent control creates inefficiencies, leaving families in units that do not meet their needs while others struggle to find housing.

4. Increased Pressure on Unregulated Housing Markets:

- Restricting rents on certain units increases demand for unregulated apartments, driving up prices in those markets.
- This ripple effect exacerbates housing affordability issues, particularly in cities with already tight housing markets.