NATIONAL APARTMENT ASSOCIATION

Key Messages – Rent Control

Talking Points

- Rent control in any scope or form does not work. <u>Decades of research and real-life case studies</u> show that the policy devastates rental housing and harms affordability.
- Rent control policies do not build a single unit of affordable housing.
 - o In fact, the policy disincentivizes housing investment and drives away development of new homes ultimately damaging affordability.
 - o Rent control caps rents at the cost of long-term stability and affordability.
 - o People will still face affordability challenges.
- Rent control is not tied to monetary need it applies across the board regardless
 of financial circumstances.
- Rent control has significant negative impacts on the condition and supply of existing rental housing.
 - With limited ability to recover operational costs, owners may have to postpone or reduce investment in maintenance and improvements.
 - Over time, lack of investment expedites the deterioration of these buildings and eventually leads to the loss of critically-needed rental housing.
- Rent control costs local governments critical revenue as the assessed value of rent controlled properties decline and with it the property tax taxes they generate.
- It is no coincidence that three of the nation's most expensive places to live, including San Francisco, New York and Washington, D.C., continue to grapple with housing affordability *despite* their long-standing rent control ordinances.
- Across the country, 31 states preempt rent control by law, 12 states have no preemption or rent control laws, and 7 states + DC have rent control laws.
 - For instance, <u>St. Paul's</u> rent control policy caps rent increases for <u>every unit</u> within the city at 3% per year (not tied to inflation or property tax increases).
 - After it passed in November 2021, developers started leaving projects in St. Paul – as of April 2022, apartment construction had slowed by a whopping 80%.
 - Accordingly, St. Paul's city council <u>voted to scale back</u> the policy in September 2021.
- Inflation (up 8.3% year-over-year) and supply chain/labor shortages also impact the rental market and are driving policymakers to quick, yet harmful and unsustainable policies that ultimately damage housing affordability.

- Ex: rent control, which 40 years of research and real-life case studies has shown as a dangerous policy that actually increases the cost of housing
- NAA remains staunchly opposed to rent control measures and advocates aggressively against them. Instead, we look for solutions that actually work to ease affordability challenges and address the root of the problem.