



NARPM® Policy Statement

Date: August, 2018
Issue: Rent Control
Sponsor: Governmental Affairs

Rent control is a local government regulation imposing a ceiling on rents or the percentage of increase allowed per year. Rent control legislation varies according to the presence and stringency of the following factors:

- Exemptions - what properties are exempt from the ordinance?
- New construction exemptions - are newly constructed units exempt and for how long?
- Vacancy decontrol - are vacated units exempt from controls?
- Rent increases - how are the general base rent increases determined, are they sufficient to provide a fair return to investors?
- Pass through of capital improvements and hardship expenses - does the ordinance allow the landlord to increase rents to compensate for these costs?
- Condominium conversion - does the ordinance impact the owner's ability to convert the units?
- Just cause eviction - does the ordinance restrict the owners ability to regain possession of his property?
- Extension of rent control - what is the chance that additional controls will be enacted or current ones extended?

Rent control negatively affects the housing inventory by hastening the deterioration and loss of existing housing while discouraging the construction of new housing. By lowering the value of rental property, rent control affects a community's tax base by causing a disproportionate shift of tax burden to other real estate and potentially curtails vital municipal services. The expense of complying with rent control laws and regulation inevitably increases the cost of housing to the consumer, and the expense of enforcing rent control adds cost to local government.

We urge elected officials at all levels of the government to oppose the adoption of rent control legislation and the use of government funds to finance rent control advocacy. We support the concept of affordable housing and defend the rights of Americans to own property free of unreasonable controls.