



**RHODE ISLAND COALITION
OF HOUSING PROVIDERS**

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March 25, 2024

To Honorable Representative Robert E. Craven, Sr.
Chair, House Judiciary Committee
Rhode Island State House
Providence, RI 02903
VIA Email: HouseJudiciary@rilegislature.gov

RE: Letter in OPPOSITION to House Bill No. H7049

Dear House Judiciary Committee,

My name is Greg Weiss and I am a Realtor, property manager, landlord and a resident of RI. I am writing to express my strong opposition to Bill 2024 -- H 7049, which seeks to implement rent control measures with a maximum increase of 4% per 12 months in Rhode Island. While I understand the desire to address housing affordability, I believe this bill would have several negative consequences that outweigh its potential benefits.

Rarely do economists from across the political spectrum agree on public policy; however, rent control is one of the few subjects that bridges this divide. Economists ranging from Milton Friedman to Paul Krugman are opposed to the regulation of rents. According to a poll of economists by the American Economic Review, a resounding 93% agree that “a ceiling on rents reduces the quantity and quality of housing available.”

One of the primary issues with rent control is that it can lead to a reduction in the quality and availability of rental housing. By limiting landlords' ability to increase rents, this bill could discourage investment in rental properties and lead to deferred maintenance and deterioration of rental units over time. This would ultimately harm tenants by reducing their access to safe and well-maintained housing.

Rent control can also distort the housing market and create inefficiencies. By artificially capping rents, it can lead to misallocation of housing, with some tenants staying in units longer than they need, reducing mobility and availability of housing for others. This can contribute to housing shortages and make it more difficult for individuals and families to find suitable housing. While the intent of the policy was to ensure an adequate supply of affordable housing existed, it has been shown in both academic research and practice to have the opposite effect.

Rent control does not only adversely impact consumers, it's effects also place heavy burdens on state and local governments. The reduction in property values that results from rent control leads to a decline in property tax revenue. The revenue decrease occurs while government expenditures increase as large bureaucracies administer and enforce the new regulations. The creation of a new regulatory body would necessitate the reallocation of budgetary funding and could put a strain on core government services.

State legislators understand that rent control is counterproductive to achieving affordable housing, which is why 37 states prohibit municipalities from imposing ceilings on rents.

Instead of implementing rent control, I urge you to consider alternative solutions to address housing affordability, such as increasing housing supply, providing rental assistance to low-income tenants, and promoting fair and transparent rental practices. These approaches are more likely to address the root causes of housing affordability issues without the negative consequences associated with rent control.

Thank you for considering my views on this important issue. I respectfully urge you to oppose Bill 2024 -- H 7049.

Thank you,

Rhode Island Coalition of Housing Providers