

Roberta DiMezza

From: Joseph Brennan <management@southernlendingllc.com>
Sent: Saturday, March 15, 2025 9:50 AM
To: House Judiciary Committee
Subject: OPPOSE H5264 & 5676

Dear Committee Clerk DiMezza,

1. Why should the state have the authority to dictate what I can charge for my property?
Rent control interferes with the free market. If someone is ready, willing, and able to pay for a rental property, rent control should not factor into the equation.
2. How am I expected to manage rising costs under rent control?
My property taxes have increased by 50% on most of my properties. To cover these costs, I need to raise rents. If I'm unable to do so, I'll be forced to work for less money in 2025–2026 than I did last year. I'm not in business to earn less; I'm in business to at least stay current and ideally grow each year. Rent control undermines this ability.
3. If the government imposes rent control, will it also take responsibility for property management issues?
If the government wants to limit what landlords can charge, will it also handle maintenance calls or provide support? As landlords, we are not partners with the government, yet these policies impose significant burdens on us without offering solutions.

There are numerous studies that show rent control reduced housing supply . Economists are in agreement it does not work for the following reasons:

1. Market Distortion: Rent control can distort the housing market by artificially setting prices below what would be determined by supply and demand. This can lead to shortages, as landlords may be less inclined to offer their properties or invest in maintaining them.
2. Quality Decline: With rent control limiting potential income, landlords might have less incentive to maintain or improve their properties, leading to a decline in housing quality over time.
3. Allocation Inefficiency: Rent control can result in an inefficient allocation of housing, as people who may not need the subsidy end up benefiting from it, while others who may need it more cannot find suitable housing.
4. Reduced Investment: Rent control may discourage investment in new rental properties or the maintenance of existing ones, as landlords may not see sufficient returns on their investment.
5. Unintended Consequences: Rent control can lead to unintended consequences, such as a reduction in rental housing supply, increased discrimination against certain groups, or a shift towards short-term rentals or other forms of housing.
6. Market Segmentation: Rent control can create a segmented rental market, where some units are rent-controlled and others are not, leading to disparities in rental prices and potentially exacerbating inequality.
7. Administrative Burden: Implementing and enforcing rent control can be administratively burdensome, requiring resources and potentially leading to inefficiencies in the housing market.
8. The ability for a tenant to initiate a lawsuit for triple damages due to a possibly perceived violation of the rent control and termination guidelines set forth in this bill, could significantly clog an already burdened court system. Furthermore, most units requires \$1,000's of dollars of repairs before being ready to rent again. How will a housing provider be able to afford such necessary repairs with such an arbitrary cap on rent increases at turnover?

Sincerely,

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