Roberta DiMezza

From:	Amy Pavia <amy@seaflowerproperty.com></amy@seaflowerproperty.com>
Sent:	Tuesday, March 18, 2025 11:41 PM
To:	House Judiciary Committee
Subject:	OPPOSE H5264 & 5676
Follow Up Flag:	Follow up
Flag Status:	Completed

Dear Committee Clerk DiMezza,

I oppose the introduction of rent control in Rhode Island, as our state is significantly smaller than major cities like New York, Philadelphia, or Boston. While our rental prices are indeed high, rent control is not the solution. Research shows that rent control can lead to reduced investment in rental housing, lower property maintenance, and decreased housing quality. A study by the Brookings Institution found that rent control can ultimately decrease affordability and fuel gentrification, harming both landlords and tenants. Additionally, the National Apartment Association reports that rent control can discourage new rental housing development, exacerbating the housing shortage.

Given these factors, I believe alternative solutions that encourage investment in rental properties and provide targeted assistance to low-income tenants would be more effective in addressing our housing challenges.

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 guildelines 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,

Amy Pavia 11 S Angell St Apt 421 Providence, RI 02906 amy@seaflowerproperty.com