



March 18, 2025

The Honorable Robert E. Craven, Sr., Chairman
House Judiciary Committee
State House
Providence, RI 02903

Re: H.5264, An Act Relating to Property – Residential Landlord and Tenant Act

Dear Chairman Craven,

The undersigned members of the Rhode Island Business Coalition wish to register our opposition to H.5264, An Act Relating to Property – Residential Landlord and Tenant Act.

House bill 5264 bars landlords from raising the rent, in any twelve-month period, more than 4%. While well meaning, this rent-control legislation will create an impediment to the building and maintaining of affordable housing in our state.

Rhode Island landlords face financial challenges through high property taxes, increased costs of services and supplies, as well as costs associated with state regulatory compliance efforts, including the state rental registry. According to Wallet Hub, Rhode Island ranked 42nd nationally for high property taxes. (<https://wallethub.com/edu/states-with-the-highest-and-lowest-property-taxes/11585>) The National Association of Home Builders (NAHB) released a report in May, 2022, stating that building material prices in 2022 were 19% higher than in 2021. (<https://www.nahb.org/blog/2022/05/building-materials-up-more-than-19-percent-year-over-year>)

The NAHB recently noted that construction costs accounted for more than 64 percent of the average price of a new home in 2024 compared to 61 percent in 2022. This is a record high for construction costs since the inception of the organization's survey in 1998. They attribute the cost increases to inflation in the global economy.

It is important to keep in mind that many rental property owners do not have multiple properties. They may own a small rental or multi-family house that they rent in addition to their own home. Rents collected pay for maintaining a property, repairing items, and funding improvements to buildings. In addition, the state rental registry has added another cost and compliance requirement to their list of responsibilities.

If rent control is passed into law, landlords will be caught in a vice between a desire to keep a property safe for its tenants and the lack of funds to maintain the property. For many owners, this could lead to an

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abandonment of the building or to a conversion to single-family housing. Neither option helps the state to meet its growing need for affordable housing.

For these reasons, we ask the committee to reject the passage of H.5264.

Sincerely,

Rhode Island Association of Realtors

Rhode Island Builders Association

Rhode Island Business Group on Health

Rhode Island Hospitality Association

Rhode Island Manufacturers Association

Rhode Island Marine Trade Association

Rhode Island Staffing Association

Small Business Economic Summit Regulations Committee

cc. House Judiciary Committee members