

RENT CONTROL

GETTING THE SQUEEZE FOR POOR HOUSING POLICY AND STIFLING REGULATION



5%+rate of inflation

California state legislators have passed **AB 1482** sponsored by Assemblyman David Chiu (d)—San Francisco. The bill limits annual rent increases that commercial single-family homes and apartment landlords may implement to 5% plus inflation (typically 2%-3%), maximum 10%.

just cause

AB 1482 requires landlords to provide just cause for an eviction and pay for residents' relocation in the event of a condo conversion. In most cases landlords already provide just cause. Landlords are "allowed" to raise rents to market once residents move out, but then must abide by the 5%+ cap.

most expansive in nation

just don't call it rent control

Gov. Newsom will sign **AB 1482** into law Oct. 13 even though voters rejected a rent-control expansion effort last November. **AB 1482** targets houses and apartments over 15 years old. The Calif. Apartment Assoc. did not oppose the bill; the Calif. Assoc. of Realtors did. Small homeowners who rent their homes are exempt.

it's begun

Opponents argue that AB 1482 will worsen the housing crisis and act as a barrier to developers who would increase the state's housing supply. They believe the measure will devalue rental property, prompt developers to invest in other states, and exacerbate homelessness and renters leaving the state.



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universal rent control

Even as the shock of fast-tracked, extreme rent control laws in New York state settle in, the state's Division of Housing and Community Renewal (the statewide agency that oversees rent-controlled housing) is working to clarify the new rules. Companies like Blackstone Group, with rent-regulated units at Stuyvesant Town and Peter Cooper Village, are "evaluating capital investments and operations."

Supreme Court

A U.S. constitutional challenge to New York's rent regulations has been filed by landlord groups. The suit alleges that state and city governments have "taken" nearly a million rent-regulated units through the new rent control law. The law hinders apartment owners from increasing rents and eliminates rules that allowed landlords to remove thousands of apartments from rent regulation. Apartment owners believe that the severity of the new law paves the way to a victory in this motion. The suit requests that the courts find the law in violation of constitutional protections and to instruct New York legislators to rewrite the laws within those guidelines.

two dozen states ban rent control

Most states have laws that explicitly ban rent control. Economists, largely agree that it constrains housing supply and exacerbates high rents. It is also at odds with property rights and represents a taking from the owner without compensation.



states considering rent control

Washington
Colorado
Illinois
Florida