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Subject: OPPOSE RENT CONTROL - H8108 & S2271

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Dear Committee Clerk DiMezza,

I have spent a decade of my life taking tired apartment buildings that have fallen into neglect and transforming them into spaces that are desirable to a wide variety of Rhode Islanders. On top of that, I consistently reinvest the money into the property to maintain it and to provide tenants with a quality of life that they want and deserve. I promise you those efforts will end immediately once this law is passed and I know I will not be the only one. The state has taken a noticeably hostile stance to landlords and real estate investors and with this proposed law it is clear that hostility is still increasing. I do not understand what caused the hostility, but I know what will come from it if it causes this law to pass. First, real estate professional such as myself will hear the message loud and clear that we are not welcome in RI and we will bring our efforts and business to other states. After that the rental market in RI will nose dive in terms of quality and quantity. After all, why would anyone invest tens of thousands, hundreds of thousands, or millions in a market where the rental rates are manipulated to stay low and while the materials/labor to build/renovate are free to climb in response to market conditions and inflation? You are making this market more risky for investment and more cumbersome in terms of management. Rhode Island has some real headwinds cutting against its appeal when compared to outside markets. Our property taxes are the highest or almost the highest in the country, we have limited space for development and redevelopment, and even if one finds an ideal plot of land or space to redevelop, they have a high probability that the municipality and local community will oppose or resist their efforts. I personally was fought from a town in RI when I tried to build a four unit property on a two acre lot and was told I was allowed to build a 12,000 SF duplex instead. I reluctantly accepted their position and built a 5,500 SF duplex. Apparently that municipality didn't see the demand I saw in the market or they simply did not care about it. I wish decisions like this were not made in RI, and instead we were supported in our efforts to increase the supply of rental properties, but they are. If you pass the rent control law, you will add another hurdle for developers and you will not like the outcome. Please do not push me and my business into another state.

I respectfully submit testimony in opposition to H8108 & S2271 (Rent Control)

The discussion around this proposal is not a landlord-tenant dispute; it is a statewide economic policy that will shape housing availability, investment decisions, and the cost of living across Rhode Island. Even individuals or properties that appear exempt would still experience its consequences, because regulating prices changes behavior throughout the entire housing market — influencing lending, insurance, screening practices, reinvestment, and whether housing is created at all.

The bill would also require a substantial administrative system. Boards, hearings, compliance review, and enforcement actions cost millions of dollars to operate while producing no additional housing supply. Rhode Island's limited public resources would be better directed toward targeted and proven approaches that assist residents who are struggling to afford housing rather than maintaining a permanent regulatory bureaucracy.

There is also a tax impact. When regulated properties lose value or stagnate, municipalities must still fund schools, public safety services, and essential services. That burden does not disappear — it shifts, most often onto single-family homeowners.

Across decades of research, economists broadly agree that rent control reduces housing supply and worsens long-term affordability for the following reasons:

- Market distortion — Artificial price ceilings separate rents from supply and demand, discouraging participation in the rental market and creating shortages.
- Declining housing quality — Limited income potential reduces the ability and incentive to maintain or improve properties.
- Allocation inefficiency — Subsidies are not reliably targeted to those most in need, while others cannot find available housing.
- Reduced investment — New construction and reinvestment become less financially viable, slowing housing creation.
- Unintended consequences — Supply shrinks, screening becomes stricter, and housing shifts to alternative uses.
- Market segmentation — A divided market forms between controlled and uncontrolled units, increasing disparities.
- Administrative burden — Complex rules require ongoing enforcement and litigation at public expense.
- Legal and operational strain — Expanded litigation exposure and capped turnover rents make it difficult to fund necessary repairs between tenancies while also adding pressure to already burdened courts.

Rhode Island faces a real housing affordability challenge, but policies that restrict housing creation and shift costs onto homeowners will not solve it. Expanding supply and using targeted assistance for households in need are more effective approaches.

For these reasons, I respectfully urge the committee to oppose all rent control proposals.

Thank you for your consideration.

Sincerely,

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