

Ariana Costa

From: bounce@bounce.votervoice.net on behalf of Matthew Hadfield <matt@hoganri.com>
Sent: Tuesday, March 17, 2026 10:31 AM
To: House Judiciary Committee
Subject: OPPOSE - Please vote NO H8108 & S2271

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Dear Committee Clerk DiMezza,

Rent control DOES NOT work. Please see examples I have provided.

U.S. Municipalities Often Cited as Rent Control Failures 1. Cambridge, Massachusetts (1970–1994)

Policy: Strict rent control covering most apartments.

Outcome: Voters repealed it via a statewide referendum in 1994.

Issues cited:

Declining property values and maintenance in controlled buildings.

Reduced tax revenue due to depressed property values.

Distorted housing market between controlled and uncontrolled units.

After repeal

Studies found property values increased and building investment rose.

2. San Francisco, California (expanded 1994)

Policy: Rent control expanded to small multifamily buildings.

Outcome: A well-known Stanford study found:

~15% reduction in rental housing supply as landlords converted units to condos or other uses.

Overall rents increased because supply shrank.

This case is widely cited in academic literature as an example of tenant protection causing long-term supply reduction.

3. New York City, New York

Policy: Long-standing rent control and rent stabilization system.

Issues cited:

Housing shortages and large gaps between market and controlled rents.

Units occupied by higher-income tenants paying far below market rates.

Incentive for landlords to convert buildings or defer maintenance.

Despite these issues, NYC still maintains rent regulation, so critics call it a persistent but problematic system, not a full repeal.

4. St. Paul, Minnesota (2022 ordinance)

Policy: Strict cap limiting rent increases to 3% annually.

Outcome:

Housing permits dropped about 79% shortly after implementation.

Development projects stalled and investment slowed.

Result: The city weakened the policy by exempting new construction.

International Municipal Examples

Berlin, Germany (2020–2021 rent cap)

Policy: Rent freeze on ~90% of apartments.

Outcome:

Construction slowed and landlords introduced “shadow rents.”

Germany’s constitutional court struck down the law in 2021.

Barcelona, Spain

Policy: Rent caps implemented regionally in Catalonia.

Outcome reported:

Some landlords exited the market or shifted units away from long-term rental.

Reduced rental supply in affected areas.

Pattern Economists Often Point To

Across many cities, critics highlight the same mechanisms:

Reduced housing supply

Developers avoid building when future rents are capped.

Conversion of rentals

Units converted to condos or owner-occupied housing.

Maintenance declines

Lower revenue discourages upgrades.

Misallocation

Higher-income tenants remain in cheap units.

I respectfully submit testimony in opposition to H8108 & S2271

This legislation should be viewed as a statewide economic policy rather than a landlord-tenant dispute. Regulating housing prices changes incentives across the entire market — affecting investment decisions, property maintenance, financing, and ultimately the availability of housing for Rhode Island residents.

Evidence from other jurisdictions consistently shows that rent control reduces housing supply and reinvestment. A national survey by the National Apartment Association found that **71%** of housing providers expect to reduce or halt investment in regulated markets, while more than **60%** report deferring non-essential maintenance and improvements. The National Association of Home Builders similarly reports that **nearly 90%** of builders avoid constructing housing in rent-controlled jurisdictions.

This is particularly concerning in Rhode Island, where **over 80%** of the housing stock is older and depends on continual reinvestment to remain safe and habitable. Limiting rental income makes it more difficult to finance repairs, modernization, and energy improvements, which ultimately harms the quality of housing available to tenants.

Historical outcomes reinforce this pattern. In the 1980s, after rent control was imposed, the number of rental units declined by **8%** in Cambridge and **12%** in Brookline, Massachusetts. After Cambridge repealed rent control in 1994, permits for new construction and renovation more than doubled for the following decade — demonstrating how regulation had suppressed housing activity.

Rent regulation also affects public finances. Reduced property values translate into reduced tax revenue for essential services. Because municipalities rely heavily on property taxation, that burden does not disappear — it shifts, often onto single-family homeowners. In Portland, Maine, analysts estimated **\$6.3 to \$10.6 million annually** in redistributed tax burden onto other property owners following similar policies. Many of Rhode Island's cities have a larger share of multifamily property in comparison to Portland, ME - meaning that shift would be even larger.

Finally, rent control often fails to reach those most in need. After repeal in Cambridge, a study of over 12,000 units showed only **10%** of rent-controlled units were occupied by low-income households, illustrating how broad price controls can misallocate benefits while making housing harder to find for future renters.

Rhode Island faces a real affordability challenge, but long-term solutions require expanding housing availability and supporting targeted assistance for households in need — not discouraging housing creation and reinvestment.

For these reasons, I respectfully urge the committee to oppose this proposal.

Thank you for your consideration.

Sincerely,

Matthew Hadfield
481 Wolcott Ave
Middletown, RI 02842
matt@hoganri.com