

Opposition Remarks – House Bill #7891 – House Committee on Municipal Government & Housing

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Gregory J. Rice – VP/GM of Nexus Property Management

Rent control is a fantasy land idea that local and state governments (CA,NY,NJ,MD,ME,OR,MN) have tried (and still try) over and over again across the country. The idea can pencil well, sound good hobnobbing over a cocktail, and resonate with constituents who have affordability problems. As I testified last week in the Senate Committee for Municipal Government & Housing, Rhode Island does not have a housing crisis. We have a demand crisis. This is a good thing.

Providence's own Mayor, candidate at the time, Brett Smiley, contended in September of 2022, via the Providence Journal, that "rent stabilization doesn't work". Continuing,

"Under a rent stabilization model there are too many people left out, property owners stop properly maintaining buildings and it does absolutely nothing to control costs or the tax burden on property owners" – Projo – Amy Russo – Published 2:53PM September 9th, 2022

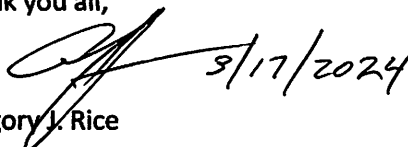
Moreover, Rhode Island has become a destination to live, work, and play. One of the side effects is that people do and will get left behind financially. I believe in a survival of the fittest environment, I believe in competition, and I believe in a merit-based society. You can call me old fashioned. If I can't pay my mortgage, no one cares. If I can't pay my taxes, no one cares. If I can't pay my insurance premiums, no one cares. If I can't pay my utilities, no one cares. This list goes on and on.

What I think State Government does not understand, is that our rent prices are directly correlated to the expenses we pay on a recurring basis. Rents have gone up because taxes have gone up, insurance premiums have gone up, contractor pricing has gone up, materials have gone up. That goes on and on as well. So, I am not here to run a social service, I am here to run a business. The tenants have an obligation to meet my rent price, I do not have the obligation to meet their income level.

In closing, rent control is impractical, unfair, and a losing proposition. The United States is not a socialist country. Rent control policies reduce the incentive to purchase housing, discourage investment, suffocate tax rolls for municipalities over time, deter + prevent us from keeping up with maintenance, pressure landlords to quickly sell their properties, subsidizes high income residents, decreases housing options for low-income tenants (who would have thought that), pummels the small landlord, does nothing for 'new renters', and encourages illegal subletting.

I ask you to kindly package up this idea, and store it away to never be heard from again.

Thank you all,

 3/17/2024
Gregory J. Rice