

Dear Honorable Members

My name is Justin Mann and I am writing in opposition to House Bill 7891. While I understand that some RI renters are struggling with a wage versus rent environment, whereby their pay has not kept pace with the rising cost of housing in the state. This is something that every study conducted has determined can only be fixed with more inventory. Simply putting an artificial cap on the rent price has many unintended consequences that are worse than the original problem.

Here is what the data has found as it relates to rent control:

- 1) A survey of 464 economists found that 93% agreed that "a ceiling on rents reduces the quantity and quality of housing available." (AER)
- 2) A Stanford study found that rent control in San Francisco reduced rental supply, led to higher rents for future renters, created gentrification, and reduced housing options for all but the most wealthy people. (Diamond)
- 3) Numerous studies have shown that rent control incentivizes higher-income earners to stay put, reducing availability for lower-income earners. One famous one was former New York Mayor Ed Koch, who maintained a \$475/month rent-controlled apartment even while living in the mayoral mansion. This leads to a misallocation of housing resources. (Olsen, Gyourko and Linneman).
- 4) Rent control can "lead to the decay of housing stock" due to a lack of funds to maintain rentals. (Downs, Sims).
- 5) An MIT study found that when rent controls were REMOVED from Cambridge MA in the 1990s, rental housing quality improved as maintenance got funded, crime was reduced, and nearby property values improved. (Autor, Palmer, and Pathak)
- 6) Rent control reduces supply. When St. Paul, MN, adopted rent control, multifamily building permits plunged 47% in St. Paul while rising 11% in nearby Minneapolis and rising in most of the U.S., too. (U.S. HUD data)
- 7) Studies show that "upper-income renters gained more than lower-income renters" from rent control. (Ahern & Giacoletti)

In summary, I respectfully oppose this bill as it offers no new solutions that will solve the problem but only follows in the footsteps of what has been tried and failed in the past.

Kind Regards,

Justin Mann

Co-founder





O: (401) 223-2838 ext. 207

M: (954) 895-8074

jmann@stonelinkpm.com

15 Circle Street Rumford RI

www.stonelinkpm.com

