

To the Chairman of the Committee on Municipal Government and Housing, Stephen Casey and Committee Members

Thank you for the opportunity to present my position on H 7891 and 7989. I am a lifelong Rhode Islander and have been a licensed Realtor at Paiva Realty Group, serving Rhode Island and nearby Massachusetts since 2010. I help all manner of clients, from tenants seeking a place to rent to builders looking for lots to develop, landlords looking to lease a unit to a tenant, and buyers and sellers of all types of properties.

I agree that the current situation with regard to housing affordability and rental rates is very dire and we need to take swift measures to provide some relief to the market for consumers looking for affordable places to live. The lack of housing inventory and limited response of the market to develop units to meet demand has created a situation where prices are outpacing the ability of the average consumer to afford adequate housing. .

The proposed rent control legislation in H 7891 and 7989, while well intended, will only serve to disincentivize investment in and development of much needed affordable housing units in Rhode Island and will likely result in more landlords initiating rental increases prior to the cap going into effect, as well as establishing that landlords will necessarily have to increase the rent annually along the cap guidelines in order to be able to keep up with the cap. As taxes and maintenance costs increase, landlords that do not follow the maximum increase according to the proposed cap will not be able to maintain and improve their property, resulting in a declining value and reduced property tax income to the municipality. The proposed rent control measures means less public services for everyone, higher rents for many, and more consistent rental price increases for most of the renter market.

For these reasons I am opposed to the proposed legislation and urge you to reject this well intended but historically proven misguided attempt to resolve a problem that is much more complicated than dictating a price cap on rent increases can possibly solve.

What will help this situation would be incentives from the state to the municipalities to relax occupancy density guidelines. This would allow for more units on less land in the areas of the state where we have land to develop. State subsidized infrastructure improvements will help the municipalities to meet the initial added demands that increased population would put on local resources and development of under utilized space will increase property values in those areas providing a broader property tax base for those municipalities in the future.

There is a way forward to make housing more affordable and protect property owners rights at the same time. Rent control via increased caps on rental increases is not the way. I would be

happy to discuss these matters further with you at any time. Please call or email me if I can be helpful in any way. 401-206-8907 or perrinoproperties@gmail.com

Respectfully.

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