

To the esteemed members of the House Municipal Government and Housing Committee,

As a resident of Cranston for many years and a registered voter, I find myself largely in agreement with the RI Coalition of Housing Providers regarding housing matters.

I hold the view that rent control, while well-intentioned, fails to address the root causes of increasing rents resulting from the imbalance between supply and demand in our state. Economists widely concur that rent control tends to produce unintended consequences, dissuading the creation of new rental units, inhibiting owners from enhancing existing housing stock, and ultimately exacerbating the housing crisis. This leads to a scenario where fewer units are constructed, and existing ones deteriorate due to limited incentives for investment.

Additionally, experiences from areas with rent control demonstrate that it predominantly benefits current occupants, leading to increased costs for new tenants and hindering the overall availability of rental units. This dynamic further exacerbates the housing shortage.

Rent control also compels housing providers, who might otherwise maintain stable rents, to consistently increase them to the maximum allowed by law, fearing future financial repercussions.

Efforts to alleviate rent burdens should focus on addressing the underlying issue of insufficient housing supply rather than artificially restricting existing supply, which only perpetuates the problem and disadvantages prospective tenants.

I also oppose various elements of proposed Bill 7989. Limiting condominium conversions hampers owners and developers' ability to respond dynamically to market needs. Allowing installment payments for security deposits undermines the purpose of such deposits, as tenants who haven't paid in full lack sufficient incentive to maintain the property. Similarly, the "just cause eviction" provisions of the Bill impede owners from necessary renovations, property sales, and adjustments to meet market demands.

Given these concerns, I strongly recommend the Committee to defer further study on this bill.

Respectfully,
Sylvia Stipich