



March 18, 2025

The Honorable Chairman Casey

House Committee on Housing and Municipal Government

82 Smith Street,

Providence, Rhode Island 02903

RE: H.5954 --- AN ACT RELATING TO PROPERTY -- RENT CONTROL IN THE CITY OF PROVIDENCE

Dear Chairman and Committee Members:

I represent the Rhode Island Association of REALTORS®, Inc. (RIAR), which is comprised of real estate brokers, salespeople, appraisers and affiliated professionals, who are some of your constituents.

The Rhode Island Association of REALTORS® has and will continuously oppose any rent control legislation. As a failed policy throughout the decades, we have to look back and learn from such dangerous laws and regulations. States such as Massachusetts, which had passed rent control was effective for 24 years which lead to racial disparities, redistribution for failing cities, and vacant units due to foreclosures, while the value in properties increased by 50% and new construction and permits tripled in the first few years after this policy was banned. Currently, the only states that have rent control are California and Oregon, which has deteriorated housing inventory and discourages any production leading to lack of single and multifamily units around the state.

Additionally, the market in Rhode Island is in a severe shortage of production and inventory due to regulations, leading to an increased homeless population that will only grow due to abandoned properties around the state. As I have stated in multiple testimonies, affordability is a major issue not only in Rhode Island, but around the country, and people use multi-families and rental units to keep up with the cost of living, which is the same issue tenants are also facing. The final point that will be made is the uncompetitive nature with other states which, as it always does, drive businesses out of Rhode Island, decreasing the state's revenue that will be



made up on property taxes, the gas tax, and taxes on all utilities, that forces the lower and middle class out of the state.

Any economist can admit that rent control is a counterproductive policy that may be great in the short term but is significantly costly in the long run. During the confirmation of the Secretary of Housing, one homelessness organization stated that this issue is due to a lack of inventory, indicating supply and demand issues, as Providence Business News shows that Rhode Island is one of the least severe in affordable renting housing shortage. According to Crossroads Rhode Island, there has been a 394% increase in homelessness in the past 4 years and increased 35% in 2024. predicted that Rhode Islanders could see a significant decrease in population, pushing out longtime residents.

A study from the National Builders Association found that 8.5 million people between the ages of 24-35 still live with their parents. A WPRI article stated that a 2016 report by RI Housing warned that we needed 34,000-40,000 new units by 2026, consequently, we have only added 18,000 since last year. The data shows that this is nobody's fault but our own due to the lack of production in the last 10 years, though we are lucky to have the support from the Speaker, as tackling this has been his first priority, NIMBY-ism is driving Rhode Islanders out of the state and blocking any projects premeditatedly are unacceptable and lacks compassion of community.

Much like tenants, studies are showing that landlords are also suffering the high maintenance and taxes. With the federal government imposing the 25% tariffs on major trade partners, the cost for building supplies will increase at a significant rate, in addition to the price of living. Additionally, rent control can easily turn into economic turmoil by losing highly competitive jobs, leading to massive state and local revenue losses, unaffordability due to the tax burden residents will absorb, extreme unemployment, worse homelessness rates, population decline, and an unpopular tourist destination.



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It is for these reasons, that rent control is not the solution of our problems, but only a bucket with holes that is desperately trying to hold water. The holes such as building abandonments, decreasing populations around the state, a lack of investment with in the state to generate jobs and revenue to just fix the infrastructures and passing on the burden in ways of severely increased property and income taxes, and a higher poverty rate for those who cannot afford to move and must remain in the state, will cause the devastating blow to the economy and Rhode Islanders. For these reasons I ask the committee, to oppose H.5954 to work with us to explore reasonable and sustainable solutions.

Respectfully Submitted,

Trevor J. Chasse
Advocacy Manager
Rhode Island Association of REALTORS®