

RENT CONTROL DESTROYS AFFORDABLE HOUSING

The shortage of affordable housing is due to an overall shortage of housing.

Chicago was already lacking 120,000 needed apartments as of 2019. High property taxes, high inflation and high interest rates make new construction difficult. Rent control would not only prevent many new units from being built—it would actually reduce the number of affordable units.

Rent control has reduced existing, affordable units in every market where it's been tried.

- St. Paul 2021: after passing rent control, new multifamily building permits **fell by more than 86%**. In 2022, permits **fell by 31%** in St. Paul—while increasing across the broader Twin Cities metropolitan area.
- San Francisco 1994: the supply of rent-regulated units **fell by 15%** after rent control was passed. Owners converted units to condo, demolished buildings or converted them to other uses.
- Cambridge, MA 1995 — after **removing rent control**, new building permits **increased by 20%**.

Rent control will make it harder for needy families to find affordable housing.

- Most benefits from rent control go to affluent renters, like downtown and lakefront residents.
- People who don't need financial assistance hoard rent controlled units, at the expense of those who do need them.
- Rent control curtails the construction of new apartments and affordable housing.
- Rent control curtails the creation of additional dwelling units.

Rent control leads to outdated, unsafe buildings with significant code violations.

- With capped rents, owners often cannot afford to make costly renovations, since they cannot recoup their expenses.

- National studies have found that **29% of rent-controlled housing was deteriorated** vs. only 8% of free market housing units.
- In New York City, a recent study found a direct causal correlation between the number of rent controlled units and the number of building code violations.
- Rent control makes it harder for housing providers to provide services, leaving residents to fend for themselves.
- Naturally occurring affordable housing must be maintained, preserved, and updated. Rent control accelerates disinvestment and the loss of these units.

The NBOA represents neighborhood housing providers—the kind who offer affordable housing.

- Most naturally occurring affordable housing (NOAH). Privately owned **NOAH constitutes 70% of all affordable housing**.
- Neighborhood housing is already under tremendous pressure from recent 40–200% increases in local property taxes, and from inflation and interest rate pressures.
- Rent control would will accelerate sales to out-of-town corporate landlords.

Rents are now declining.

- According to Apartments.com, Chicago **rents are down almost 1%** in Q3 vs. Q2 of 2022, and projected to fall for the rest of the year.
- The greatest risk isn't rent increases from current owners, it is the loss of neighborhood ownership and naturally occurring affordable units.
- More housing is needed now and in the future. Illinois needs policies that incentivize and promote the creation of both affordable and market rate units — not the destructive forces of rent control.

Making it harder for housing providers won't make housing more affordable.