Rent control refers to government-imposed regulation on whether and by how much landlords can raise rents. Unlike affordable housing tools that aim to grow housing stocks, rent control responds to the affordable housing crisis by regulating the existing private housing market directly. For this reason, it is a highly controversial approach, seen by detractors both as an imposition on property rights and squeezing profits that would otherwise produce new housing. There is a conflicting body of literature that accompanies this debate, throwing into question the efficacy of rent control measures. But despite conflicting analyses about the relationship between rent control and housing markets at large, the immediate benefits of rent control for rent-burdened tenants cannot be ignored. Rent control is a redistributive policy; when imposed, it offers direct and immediate reprieve. This reprieve is one of the only regulations keeping renters in their homes in some of this country’s hottest housing markets where they would otherwise be facing displacement.

**HOW RENT CONTROL WORKS**

Rent control places limitations on rents. This can be through strict price ceilings or, more commonly, capping the amount by which rents can be raised annually (also known as rent stabilization).

Unlike many other affordable housing mechanisms, rent control has no designated expiration date. This affords tenants a measure of long-term financial stability, allowing them to more securely plan for their futures and invest in their neighborhoods.

Rent control is a policy that is both unit-specific and tenant-specific. That means when a renter moves out of a rent controlled unit, a landlord retains the power to increase the rent to whatever market-rate they please, resetting the regulatory price ceiling for any new renter who moves in.

While rent control ordinances can vary wildly in their specifics, often they stipulate conditions wherein the rent control applies differently to different types of rental units. For example, these laws usually limit rent control to buildings constructed before a certain year.

**RENT CONTROL WASN’T ALWAYS SO “RADICAL”**

The practice of rent regulation is not a new one. Beyond U.S. borders, it is a tactic that many governments have used, particularly in times of upheaval and housing scarcity. Contemporary understandings of rent control, however, come out of the WWII-era which witnessed the most widespread imposition of rent control in the history of the United States. The wartime economy brought a huge population influx into urban areas for military production. Facing a corresponding urban housing shortage, in 1942 the federal government instituted a national rent control program in which approximately 80% of the rental stock nationally became rent-regulated. These regulations enforced rental caps matching pre-war prices. This form of rent control stayed in place until the late-1940s to mid-1950s when housing stocks went through a period of “decontrol.” Despite the undoing of many rent control measures, six jurisdictions have some form of rent control or stabilization: California, New York, New Jersey, Maryland, D.C, and Oregon.
RENTER CONTROL AND TENANT PROTECTIONS

Opponents of rent control often see rent-capping measures as a violation of the rights of landlords to get a “fair return” on their investments as property owners. Rent control advocates argue that there are already plenty of legislative protections in place for landlords, and renters have little protection in an often-hostile rental market that structurally favor ownerships. Tenant protection measures such as just-cause eviction are important to pair with rent control, particularly in cases where landlords cite rent control as an incentive to evict, harass, or otherwise remove tenants.

Spotlight on Costa-Hawkins

There are 15 municipalities in California with rent control on the books, but these policies are strictly mediated by the Costa-Hawkins Rental Housing Act of 1995. Costa-Hawkins limits the kinds of rent control policies cities can implement by protecting landlords’ rights to raise rents when tenants move out, preventing the imposition of rent control on units constructed after 1995, and exempting condos and single family homes. In 2018, statewide housing justice advocates successfully campaigned to get Proposition 10 on the California ballot, a proposition which would have repealed Costa-Hawkins. While the Proposition was ultimately defeated, the successful campaign mobilization highlighted a growing call for rent control expansion. Costa-Hawkins demonstrates the importance of analyzing the efficacy of rent control alongside other housing policy.

LEARN MORE

Visit the Resources page at create.umn.edu for lessons from past and present fights to overturn rent control bans, and some of the tenant protection tools like a Renters’ Bill of Rights that can promote the efficacy of rent control legislation.