Press Release

The False Promise of Rent Control

PAULINA ENCK | JULY 30, 2024

The Biden Administration has signaled support for a 5 percent national cap on annual rent increases that would impact nearly half of all rental units across the United States. In new research, Data Analyst Jacob Jensen walks through the economic realities of the proposal and considers its harms.

Jensen concludes:

> *Rent control does not achieve its intended goal of reducing costs. It devalues property, constrains housing supply, lowers quality, and increases administrative burdens. A 5 percent cap on rent would be no different. In a worst-case scenario, median rents would increase at a higher rate than historical trends. In effect, the United States would be paying $1 billion annually to raise renting costs up to $6,000 per renter at the same time national property values decrease by hundreds of billions of dollars. The only potential winners would be the lucky few able to lock into housing contracts in locations where annual rates typically increase by more than 5 percent. Meanwhile, everyone else would have to pay the price for this ineffective economic policy.*

Read the analysis