

FORUM

State needs more,
better rental homes

By Lauren Tagliatela

Connecticut's apartment homes are part of the foundation of living in our state. Rental living is a choice for many Connecticut residents of all ages, from empty-nesters and downsized retirees to young families and students — and the supply of quality, affordable rental homes should be stable and strong enough for every budget.

Let's tear the Band-Aid off right away: Inflation has increased living costs in Connecticut and across the country. And rent — just like every element of the cost of living, from food to consumer goods — is driven by market forces such as supply and demand.

The Oxford Dictionary defines "stabilize" as "make or become unlikely to change, fail, or decline." The arbitrary rent controls being debated at the state Capitol will undercut — not stabilize — the supply of available rental housing.

Rent should fairly represent the cost of providing rental housing — including maintenance, repair, upkeep, utility, property taxes, insurance, labor costs and capital investments in updates and improvements. And those costs are increasing faster than rent increases.

According to the National Apartment Association, out of every rent dollar:

- 38 cents pays for the mortgage on the property;
- 17 cents pays for operating expenses;
- 15 cents pays for property taxes;
- 11 cents pays for capital expenses;
- 10 cents covers payroll expenses for the employees who operate and maintain the apartment homes; and
- 9 cents is returned to owners as profit.

I am the fourth generation of the company my great-grandfather founded, Franklin Communities. We have been in construction since 1917 (Franklin Construction) and a multifamily housing provider since 1969. We walk our properties every day, and constantly reinvest in them — for our residents — with parking, elevator, amenity additions, renovations and solar projects.

The living communities that my company and the members of the Connecticut Apartment Association provide are homes, economic centers and business centers for our residents, helping improve their lives and the neighborhoods where they live, learn and work.

Connecticut's apartment homes drive \$1.6 billion into Connecticut's economy, sustain thousands of jobs of our own

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and our partner electricians, plumbers, builders and remodelers — and all the commerce and taxes they generate. Our living communities are often among the largest property taxpayers in the cities and towns where we are located, generating over \$528 million in local property taxes each year.

Connecticut residents of all ages need stable, sustainable rental homes — and there is nothing stabilizing or sustainable about rent controls. They will make Connecticut's supply of quality, affordable rental homes more likely to "change, fail and decline," eroding real estate values on tax rolls, undermining municipal budgets and making financing for construction and renovation more expensive than it is today.

NAA's latest Apartment Housing Outlook Report and high-frequency rental data from Zillow show that rent increases are already slowing and are projected to continue that cooling trend as inflation shows signs of easing across the country.

So, how can state legislators help Connecticut's individuals and families find — and stay in — quality, affordable rental homes?

Work with us to help our residents learn about and access the many state, federal and local and independent affordable housing and living assistance programs, such as the UniteCT Program for Renters, which provides rental and electricity assistance, Connecticut Department of Housing rental assistance and affordable housing programs, federal Housing and Urban Development Section 8 programs and Connecticut Green Bank energy savings and assistance programs. These programs work.

The only lasting way to sustain affordable multifamily rental housing that works for every budget is to grow the supply and quality of these homes. That is what companies like mine do every day.

Lauren Tagliatela is chief community officer at Canal Crossing at Whitneyville West, one of the 1,200 apartment homes owned and maintained by her family company Franklin Communities.