

The Chicagoland Apartment Association stands in opposition to HB 2430/SB 2310, which would overturn Illinois' Rent Control Preemption Act. The CAA opposes the concept of rent control as an option for beneficial, productive public policy as a means to create affordable housing options, noting that economists overwhelmingly reject the idea too.

Housing policy experts from across the political spectrum, who have objectively analyzed the efficacy of residential rent control, overwhelmingly reject the notion that low-income renters are the major beneficiaries of such policies. Consensus among these individuals remains that rent control policies actually work against affordable housing objectives because they discourage investment in new and existing rental housing, erode property values, and ultimately lead to an overall shortage of quality, affordable rental housing.

Here is how Nobel Prize-winning economist Paul Krugman has described rent control policies:

*“The analysis of rent control is among the best understood issues in all of economics...a ceiling on rents reduces the quality and quantity of housing. Almost every freshman level textbook contains a case study on rent control, using its known adverse side effects to illustrate the principles of supply and demand.”*

When market forces are artificially influenced by rent control policies, investment by real estate owners diminishes, leaving renters with fewer quality options. Adding to these universal concerns, the City of Chicago and State of Illinois present their own set of unique challenges to owners of properties from two-flats to high-rises, because investment in rental housing is discouraged by unstable state and local finances, high property taxes, increased fees, and aggressively litigious tenant advocacy groups.

Instead of rent control, lawmakers should be focused on attracting more multifamily housing to be built, translating to lower prices through increased supply, while delivering needed units to keep pace with soaring demand. A 2017 analysis forecasted demand for 27,000 new Chicagoland apartments by 2030 to keep pace with the anticipated need. The CAA supports policies that incentivize development, reduce unnecessary regulations, and expand public subsidies to those who qualify for housing assistance.



### THE UNINTENDED CONSEQUENCES OF RENT CONTROL

- **DIMINISHED SUPPLY** of affordable housing due to decreased investment and condo conversions
- **DECREASED QUALITY** of affordable housing due to arbitrary price caps
- **EROSION OF PROPERTY VALUES** causing tax base to shrink
- **SYSTEMIC ABUSE** by unqualified occupants