



Housing Committee

Testimony HB 5685

An Act Concerning Rent Control.

Good afternoon Senator Lopes and Representative McGee, Senator Anwar and Representative Smith, and esteemed members of the committee.

My name is Jessica Olander, the Executive Director of the Connecticut Apartment association (CTAA). I am submitting testimony representing the members of CTAA. The Association represents over 51,000 units, the largest number of apartments represented by any single association in the state.

CTAA members consist of the state's leading firms in the multifamily rental housing industry, many of whom manage national portfolios. The association's mission is to actively lead the apartment industry in providing quality housing by educating, advocating and connecting property owners, managers and business partners.

Our parent organization, the National Apartment Association (NAA), represents more than 10 million apartment homes throughout the United States, Canada and Europe.

Thank you for giving our members the opportunity to comment on HB 5685 An Act Concerning Rent Control.

Rent control has significant negative impacts on the condition and supply of existing rental housing. Rent control also discourages the development of new rental housing, which is crucial to restoring the balance between supply and demand in local housing markets. By discouraging development and encouraging conversions, rent control effectively restricts supply, driving up housing costs. In terms of the impact to municipalities, rent control costs local governments critical revenue as the assessed value of rent controlled properties decline and with it the property taxes they generate.

These price controls on rents merely exacerbate the issue by making apartment housing unaffordable. It negatively impacts the housing market by discouraging the construction of new housing, expediting the deterioration and loss of existing housing, and diminishing the value and investment in properties. When this decrease in rental housing stock coincides with increased demand, it leads to increased costs for consumers.



Rent control does not only adversely impact consumers, it's effects also place heavy burdens on state and local governments. The reduction in property values that result from rent control leads to a decline in property tax revenue. The creation of a new regulatory body would necessitate the reallocation of budgetary funding and could put a strain on core government services.

Rent control distorts the housing market by acting as a deterrent and disincentive to develop rental housing, and expedites the deterioration of existing housing stock. While done so under the guise of preserving affordable housing, the policy hurts the very community it purports to help by limiting accessibility, as well as affordability. Instead, policymakers should consider alternative approaches that have proven to be effective means to tackle shortages of affordable housing, such as providing direct rental assistance to low-income consumers, and enacting policies that streamline, incentivize, and reduce impediments to development. Where prohibitions on local rent control do not already exist, state legislators should enact preemption measures to prevent municipalities from implementing rent control ordinances.

The members of the CTAA are happy to make themselves available to your committee for further information on this issue, to assist with technical analysis and recommendations, and to develop educational programs that will help everyone in the housing industry.

We thank you for your time and your work on this important matter.

Sincerely,

Jessica Olander
Executive Director
The Connecticut Apartment Association