

## Rent Controls

### The Facts and Unintended Consequences

Creating affordable, strong, and inclusive communities ensures all Canadians have a broad range of housing options. While rent controls are often first cited as a means to reduce housing costs and may seem like a quick-fix, evidence suggests otherwise.

The fact remains that the most affordable and rent-friendly jurisdictions in Canada are in places where there are no price controls (Alberta and Saskatchewan).

Housing providers are supportive of policies that drive the creation of more affordable housing supply in Canada. Rent Controls have the opposite effect.

**The Best Alternative to Rent Control is to provide Rent Subsidies or Portable Rental Allowances** to those people for whom affordability is an issue and have a proven need. Not everyone needs help.

Facts About Rent Controls	Unintended Consequences of Rent Controls
<b>Rent Control is Poor Public Policy</b>	The unintended consequences negatively affect: <ul style="list-style-type: none"><li>• Supply of affordable housing</li><li>• People with affordability issues</li><li>• Owners and Investors</li></ul>
<b>Rent Control Discourages the Construction of New Rental Housing</b>	Investors are motivated by profit and will not invest when any legal change reduces profitability, and the risk is increased.
<b>Rent Control Reduces Mobility</b>	People living in a rent control unit tend to stay longer, leading to lower vacancies The free market has a higher level of vacancies, meaning people have greater choice. Normal turnover in areas with no rent control is usually 35% - 40%.
<b>Rent Controls Result in Decreased Vacancies</b>	With reduced construction and turnover, fewer people move, housing supply is reduced, and the demand for housing increases. People with affordability issues have difficulty finding affordable housing and have to pay higher rent.
<b>Rent Controls Cause Housing Decline</b>	Reduced rental income means it is not financially feasible to make substantial investments in upkeep, and properties deteriorate. Tenants do not want, or expect, to live in sub-standard housing.
<b>Rent Controls Benefit all Tenants, Rich or Poor Alike</b>	It's a myth to say that it's just the working poor who benefit. Wealthier people who can afford their rents and do not need the benefit of rent controls become beneficiaries of this policy.
<b>Rent Controls Increase the Cost to Provide Rental Housing</b>	There is a cost to all taxpayers to set up and maintain the bureaucracy required to administer a rent control program. All taxpayers end up subsidizing the renter. Additional costs to the landlord are passed on to tenants.
<b>Rental Controls Discourage Investment in Rental Property</b>	Most landlords have mortgages to pay and with increasing costs and the significantly reduced ability to meet the demands, it will put some out of business, thus reducing the number of rental units in the marketplace.