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He's right...rent control — setting prices — will remove what little incentive landlords already have to keep up/invest in their properties. And it will discourage new construction as investors look elsewhere for opportunities.

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Bernie Sanders' call for 'national rent control' may sound good, but it's...

Sen. Bernie Sanders has called for "national rent control" as part of his campaign for president, but the policy is a bad one.

<https://www.businessinsider.com/bernie-sanders-national-rent-control-2019-11>

Beyond pushing up fair-market rents on noncontrolled apartments, a [study of rent control in Cambridge, Massachusetts](#), found another negative impact of rent control. It reduced the value of not just buildings with rent-control apartments but also the *surrounding neighborhoods*.

Landlords have less incentive to invest in rent-controlled properties. (Why pay top dollar to maintain an apartment that you can't rent for top dollar?) As rent-controlled buildings deteriorate, they drag down the value of nearby real estate. And as the neighborhood deteriorates, fewer people want to live there, depressing values and development incentives even further.

"Ah, but Bernie will make sure none of those bad things happen!" a Bernie Sanders fan might say.

"Bernie will insist that rent control applies to new buildings too. Bernie will make it so landlords can't move in or convert to condos. Bernie will make sure that rent control applies to every dwelling in the country — no exceptions! — and eliminate any step-up in rents between tenants. This will keep rents low for everyone, including future tenants!"

Yes, this approach would likely keep rents lower than they would otherwise be, even for future tenants.

But it would also drastically reduce the incentive for anyone to build new buildings or maintain existing ones, thus dragging down property values for everyone who lives near any rental houses or apartments.

Yes, investors: landlords are not in the hospitality business. They buy properties: tenants pay off the mortgage and they take the profits from the land's appreciation. The property just has to be "good enough" to be rented; scarcity just lowers that bar and keeps rents up. 2/

Still wondering why so many self-IDed socialists are not pushing for land taxes/ground rents: even developers support the idea. Tax the land, lower the cost to build on it, reduce housing scarcity, and lower rents that way, through competition. 3/F [#LVT](#)

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