



October 5, 2018

## Rent Control in Glendale

The Glendale Chamber of Commerce has taken an official position in opposition to rent control in Glendale for the following business reasons:

- Apartment ownership is a business. In Glendale, a significant number of people have invested in apartments as their livelihood and depend on being able to adjust rents to provide a living and further invest in and make necessary improvements to their businesses.
- A rent-controlled price for apartments is lower than a free-market price, which leads to a shortage of available apartments and disrupts the equilibrium of supply and demand unless more housing is built.
- A permanent policy of rent control will discourage construction of new apartment buildings as potential investors realize that their revenues on such projects will be artificially capped. With reduced construction of apartments fewer building jobs are available.
- Rent control reduces the ability of landlords to maintain their buildings. Lower revenues to the owner coupled with increasing costs, results in less funds available to do preventive maintenance and general upkeep.
- Studies show that rent control can lead to abusive landlords and can destroy large portions of a city's housing.

Rent control is not the answer for affordable housing in Glendale. Our city council should continue to seek opportunities to partner with developers and other investors for the construction of new affordable housing.