



Housing Advisory Commission

Attachment 3

Rent Stabilization and Rent Control Policies Studies Summary

The following paragraphs summarize selected research studies on rent stabilization and rent control policies. The purpose of this summary is to support the Housing Advisory Commission's and the public's discussion of the matter by providing relevant information on potential impacts related to tenant stability, housing supply, rent levels, and market dynamics.

Studies on Rent Stabilization and Rent Control Policies:

Studies on effects of rent control or stabilization should be interpreted with caution, as the policy is never implemented in isolation. Market effects may be influenced by eviction protections, subsidies, zoning, and broader economic and regulatory conditions. Also, most research on rent regulation originates in economics and focuses on its economic impact on housing markets. More recent studies take a broader approach, examining rent stabilization through public health, education, and sociological perspectives to better understand its effects on well-being and community stability.

- As published in the American Economic Review (2019), the study "[The Effects of Rent Control Expansion on Tenants, Landlords, and Inequality: Evidence from San Francisco](#)" by Diamond, McQuade, and Qian analyzes the long-term impacts of a 1994 rent stabilization expansion on tenant stability, property owner behavior, and housing market dynamics. The study finds that, over the medium to long term, rent control increased housing stability for tenants in San Francisco, making them 10–20% more likely to remain at their 1994 address, with particularly strong benefits for racial minorities, older households, and long-term residents. However, in high-rent neighborhoods, property owners were more likely to remove tenants through evictions or buyouts and newly rent-controlled buildings were 8% more likely to convert to ownership. These factors led to a 15% reduction in the rental housing supply and a 25% decline in the number of renters living in rent-controlled units relative to 1994, driving long-term rent increases, shifting the housing stock toward higher-income households, and fueling gentrification. The authors note that much of the welfare loss was experienced by future residents—those yet to move to the City and finding it more difficult and expensive—while the net benefit for incumbent residents (in lower rents and more stability) was positive.
- According to a [2024 meta-analysis](#) published in the *Journal of Housing Economics*, Konstantin Kholodilin of the German Institute for Economic Research finds that the effects of rent control vary widely across 112 studies. The review finds that rent control policies are effective at reducing the amount of rent paid by

tenants and causing tenants to stay longer in controlled units. It also finds that the existence of rent control tends to lead to higher rents in uncontrolled dwellings, and that about two-thirds of studies find a negative impact on new residential rental construction. Nearly all studies find a reduction in quality of housing due to lower investment in maintenance and refurbishment, and a mild increase in homeownership as rental units convert to condominium ownership. One critique of this study is that it fails to draw distinctions for newer, more moderate “next generation” rent stabilization policies that incorporate vacancy decontrol.

- UC Berkeley economist Ken Rosen, in a [2020 report for the National Association of Home Builders](#), studied construction in several cities with rent control before and after the statewide adoption of Costa-Hawkins in 1995. The analysis found that, even after accounting for employment growth and population density, cities experienced faster housing supply growth after loosening rent controls under Costa-Hawkins. Estimated increases in multifamily permitting include 13.4% in Berkeley, 9.7% in Oakland, 19.1% in San Jose, and 19.6% in San Francisco.
- In their policy brief [Finding Common Ground on Rent Control](#) (2018) UC Berkeley’s Turner Center for Housing Innovation took a cautious stance on repealing Costa-Hawkins, warning that full repeal could reduce new housing supply, discourage investment in housing quality, and lead to unit withdrawal while benefiting higher-income tenants. Instead, the Center recommended a statewide “anti-gouging” rent cap—similar to post-disaster measures—using an annual formula to limit rent increases, as was later adopted in AB 1482. Turner also proposed offering property tax relief to incentivize developers to include Below Market Rate (BMR) units in new or rehabilitated buildings.
- Freeman and Braconi (2007) found in [their article](#) in the Journal of the American Planning Association Publication that New York’s rent regulation system, including rent stabilization, may have helped mitigate displacement by limiting rent increases and enabling tenants to remain in gentrifying neighborhoods.

Overall, the available research indicates that rent stabilization can improve tenant stability and affordability for existing residents, but almost certainly has unintended consequences for housing supply, quality, and market dynamics over time.