

REAL ESTATE

## Rent Control's Winners and Losers

OCT 21, 2014 2:59 PM EDT

By Jonathan J. Miller

a A

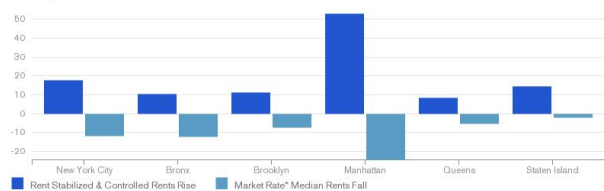
Any renter in New York City has probably has felt the pain of coming up with the monthly payment. There are plenty of reasons for the city's steep rents: limited land and housing stock; a wealthy populace that bids up all prices; and, of course, rent control, which leads landlords to make up on unregulated units what they can't get on those with restrictions.

Adding new land is almost impossible, building more housing can take years and the affluent are probably in New York to stay. So what would happen if rent control and its cousin, rent stabilization, disappeared overnight?

Of course, open market rents would fall and regulated rents would increase across the city. What's surprising is how much rents would rise in Manhattan, an indication of the size of the subsidy those tenants receive.

### What If Rent Control Vanished?

Saying goodbye to a sweet deal



Source: NYU/Furman Center

\*Includes Market Rate, Mitchell-Lama and other subsidized housing.

Bloomberg

The rent on the average regulated unit would jump \$686 a month, a 53 percent increase, while the average rent on the open market would fall \$644, or 24 percent. (The smaller percentage decline for non-rent-regulated property is a reflection of how much higher rents are for open-market units.)

This is all theoretical, to be sure, and if rent regulation vanished, market forces would likely dampen

the rental increase on formerly regulated apartments and reduce the discount to open-market tenants.

No matter what we do, it will always be expensive to live in New York.

To contact the author of this article: Jonathan J. Miller at [jmiller@millersamuel.com](mailto:jmiller@millersamuel.com).

To contact the editor responsible for this article: James Greiff at [jgreiff@bloomberg.net](mailto:jgreiff@bloomberg.net).