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Submission date: 30-May-2021 03:20AM (UTC-0700)

Submission ID: 1596998731

File name: Phil_week_5_assignments.edited.edited_4_1.edited.docx (21.76K)

Word count: 1960

Character count: 10129

Is Rent Control Good or Bad?

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Introduction

The control of rent by the various local governments to lower the cost of living to the low-income citizen by passing laws and policies that guide how rent should be paid to the landlords has been an issue under public debate. With some people supporting while others are opposing the whole issue of rent control. The laws also provide guidelines that must be followed by the landlord when evicting a tenant and being that most apartments are rent-controlled, the tenants who live in such apartments end up paying lesser than the normal market. Thus, this brings much controversy because most landlords complain that they use much money in constructing those houses and finally, the government passes laws that govern how they should rent out their houses, which makes them make losses. Rent control is a misunderstood concept by many people who believe that it negatively affects the quality of housing and negatively affects the market price of housing. Also that it contributes to the poor supply of houses yet others believe that it is a good thing making housing affordable (Slater, 2020). In this paper, the two sides of the debate about rent control will be critically analyzed to provide insight into the authenticity of concerns from both sides. The following explained are some of the keywords that are used throughout the paper;

Rent control- The laws put up by the government to control the amount of money paid by the tenants to their landlords to prevent them from exploitation and at the same time help lower the cost of living for the low-income citizens.

Market price- The normal rate amount of money that the tenants should originally pay before the rent control

Landlord- the owner of the rented apartment or house by a tenant with whom the government subject rent control to protect the tenant.

Tenant- Those who pay rent for housing services offered to them by the landlords.

Arguments and Counterarguments

For those who oppose the rent control issue, their main point of argument is that rent control reduces profitability on housing business, reduces housing construction and does not consider new taxation rates. Also, protect bad tenants who do not want to pay their rents with all these factors to reduce housing quality. The opposers of the rent control idea believe that the issue puts a profitability ceiling in the housing business because the landlord is not allowed to charge a client more than the set rate by the government. Thus, most landlords feel they should be allowed free market by being set free to set prices according to how they feel fit, and the agreement is between them. As a result, willing tenants see the whole idea of rent control as a hindrance to their wish to make more profits from their properties and always call on their various local governments to revise the whole idea of rent control to reap enough from their housing properties (Conley, 2018). These landlords have a great concern, according to their arguments, that they use much money in the construction of the apartments. But realize fewer profits because the government has locked the housing business through rent control. They feel that free market means that the tenants will choose those apartments that they feel comfortable paying, so rent control is unnecessary (Asquith, 2019).

Another argument against rent control is that the laws are not cognizant of the property tax rates and protect the bad tenants from evictions. Most of the rent control laws require that the tenants be notified within a specified period to be evicted from a house. So the critics of rent

control argue that this disadvantages their housing business because the notorious tenants take advantage of this situation and skip paying their rents. Rent collection in US cities that are not rent-controlled is better than those with rent-controlled cities (Grgurich, 2021). Also, they are concerned that the laws are usually pro tenants and forget about the losses made by the landlords as a result of the ever-fluctuating taxes pegged on properties like houses. Yet, the rent is capped at a constant rate by the government. Lastly, on their arguments against the rent control measures, there is a concern that this issue reduces the number of houses and quality of houses. Having a ceiling on rent reduces the quantity and quality of houses in a given city (Schuerman, 2020). Besides, they believe that controlled rent makes many people lose interest in the housing business. The only available ones are poorly managed due to the lack of enough capital because of low profits accrued to run the business. Hence, they recommend the free market to better the housing sector.

On the contrary, those who support the rent control issue view it as a way of protecting tenants from exploitation, and they have a view that controlling rent does not contribute to the reduction of houses in any way. One of the main reasons for the rent control, as per those supporting the idea, is that those with low incomes can get affordable housing while their little income can save to perform other basic duties (Grgurich, 2021). For that reason, they reject that the free market in the housing sector should be embraced, for they view that the free market will make the rogue landlords exploit the poor citizens. They believe that introducing the free housing market will automatically hike the rent prices of houses and, therefore, must not be tolerated at any level to protect the poor citizens at the bottom of the economy. Another pertinent conversation raised by those rooting for rent control is that there has never been any empirical evidence that controlled rent can reduce the number of houses in any given city. Mason (2019)

explains that several kinds of research had been done in New Jersey to establish whether rent control could reduce the housing supply or not had been completed. A report showed that despite the earlier prediction that rent regulation reduces housing supply, none of the studies pointed out that rent regulations reduce housing supply. Notably, those who subscribe to the same idea believe that ¹ there is a lack of evidence to ascertain the claim, and then all is just but bad intention by the opposers of the rent control idea to find a way of exploiting poor citizens.

Evaluation of Critical Thinking

When assessing the argument of both sides, it is evident that every conflicting party is pulling towards their sides because economically, it is wise to support an initiative that either makes you save more or root for an idea that will make you earn more money. Therefore, supporting or opposing the government policies on rent control is the fight between a right and a wrong where all parties express their views. When the landlords and other like-minded people call for a free market in the housing business, they are right because their reason for being in that business is to make as many profits as possible. Similarly, when the tenants and other like-minded fellows root for the continued imposing of the rent control regulations, they are also right. Because the government must always protect citizens from any form of exploitation, and due to their low income, rent control measures are a way of helping them save for them to meet their unlimited wants.

However, the argument that rent control will ensure that the number of housing reduces to be weak. Housing construction is a permanent investment that requires very little resources to maintain. Therefore, rooting for a free market shows a weakness on the side of those against the idea. Since as the population of a country increases, there is increased demand for housing. This

need will push investors to build more houses, and therefore at any given time, there will be equilibrium of demand-supply of housing. The citizens must be protected against any imminent danger of exploitation, like in this case, the landlords. Contrarily, on the inductive reasoning, those for rent control idea roots for scientific reasoning in their arguments by showing that an idea that rent regulation reduces the housing supply is baseless and lacks any empirical evidence to support it. In contrast, on the deductive reasoning, those against the idea do not point out any scientific approach to substantiate their claim that rent control reduces the housing supply.

Concerning the critical evaluation and analysis of both the arguments brought out by those pro rent control measures and those against it, I find that rent control is a good thing. It is clear from the arguments of those for rent control in this debate that for effective creation of affordable housing to the public, the local governments should come up with regulations that aim at protecting the renters' interest in owning homes at the same time taming the market power of landlords through rent control. Housing is a basic need that should be enjoyed by every citizen and therefore, such rent control regulations make the tenants better plan for their future because they know the law protects them and their rents will not dramatically increase every year. Through my critical analysis, I find that the call for free market in the housing industry is an ill-intended idea that supports greed on the landlords who want to reap more at the expense of poor citizens. Rent control is, therefore, a good idea that all local governments should embrace to make their citizens comfortable and plan for their future.

Conclusion

Conclusively, rent control has sparked public debate, which is a healthy discussion because, through the debate, both sides where those against the idea can air out the issues they

feel are affecting them concerning the idea. At the same time, those for the idea will try to convince their antagonists why all should embrace the rent control idea. Such a discussion helps the government improve on both sides, making them have a win-win situation after all. On this discussion, I support the rent control idea because you find that most citizens are at the bottom of the economic pyramid calling for the government, among many other initiatives, to put up regulations that protect them against exploitation by their landlords. A free market in the housing business is a bad idea that should not be allowed to happen. Normally, this is due to landlords' hike prices because no laws are guiding the sector hence pushing the tenants to the edge to the extent that they can move to the streets due to homelessness. Therefore, I support the various local governments in every law to control rent to protect the common citizen. Most importantly, my experience with the rent control issue has made me realize the need for government to protect the poor and low-earning citizens from any malicious exploitation by their rich and wealthy citizens, who are their landlords. When the poor are not protected from the rich's exploitation, the poverty gap can increase, for the poor will become poorer as the rich become more prosperous.

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