2023
Rent Control Outlook

Overview

Over the course of 2022, rent control was again a fixture across state legislatures, city and county councils, and at the ballot box. This year, the issue even gained traction at the federal level, with tenant advocates urging President Biden to issue an executive order mandating rent caps on mortgages backed by Fannie Mae and Freddie Mac.

With notable exceptions in select California, Maine and New York cities, the flawed policy failed to advance even though it was introduced in 19 state legislatures. However, following the 2022 elections, the 2023 landscape is perhaps more promising for rent control proponents and those who incorrectly believe that the approach is a workable solution to housing affordability challenges. We believe Massachusetts poses the greatest threat to enact rent control in 2023, though we expect activity in more than a dozen states.

We anticipate significant activity in state legislatures in the coming year and a continued effort at the federal level to push the Biden administration to issue an Executive Order (which would not require Congressional approval). Whether or not these measures are enacted, they will get media attention and, as such, pose a reputational threat to the apartment industry at a minimum.

What follows is an overview of the coming fights.
State Outlook

**Tier One Threats**

**Colorado**: Rent control legislation is regularly introduced in Colorado. To date, such efforts have stalled. Another push is possible in 2023.

State Government Composition

- Governor: Jared Polis (Democrat)
- State Senate Control: Democrats
- State House Control: Democrats
- Legislative Session: 1/9/23 – 5/8/23

**Florida**: The Sunshine State maintains statewide preemption on rent control. The preemption law, however, includes an exemption via a successful local ballot initiative allowing for a one-year rent regulation. We expect measures to be introduced in the legislature to revoke preemption, but given the way the current law is written, the real action may take place at the local level. Lawmakers in St. Petersburg and Tampa considered measures to place rent control before voters on the 2022 ballot, but those efforts stalled. In Orange County, which includes Orlando, a ballot measure implementing rent control passed, but a state judge blocked election officials from certifying the results. In 2023, it is possible that these and other cities and counties will again pursue workarounds to rent control preemption.

State Government Composition

- Governor: Ron DeSantis (Republican)
- State Senate Control: Republicans
- State House Control: Republicans
- Legislative Session: 3/7/23 – 5/5/23
Illinois: In Illinois, rent control is seemingly an annual issue in the state legislature. Efforts have failed to date, but we have no reason to expect that it will not be raised again.

State Government Composition

- Governor: JB Pritzker (Democrat)
- State Senate Control: Democrats
- State House Control: Democrats
- Legislative Session: 1/11/23 – 5/31/23

Maryland: While a bill was introduced in the state legislature that would have limited rent increases to no more than two percent each year for an annual lease, the real action is at the county level. Efforts to impose rent control in Montgomery County are expected to continue. The Washington, D.C. suburb is home to more than 1 million residents. It is worth noting, though, that state is now a “trifecta,” with Democrats controlling both legislative chambers and the governor’s chair.

State Government Composition

- Governor: Wes Moore (Democrat)
- State Senate Control: Democrats
- State House Control: Democrats
- Legislative Session: 1/11/23 - 4/10/23

Massachusetts: In Boston, Mayor Michelle Wu made rent control a central theme of her candidacy in 2021 and has since been working to push state lawmakers to revoke its statewide rent control preemption. She now has a more sympathetic ally in Governor-elect Maura Healey, who has signaled that she would support revoking preemption. In years past, rent control legislation failed to clear the legislature. But with rising costs in Boston and elsewhere – plus an aggressive push by Mayor Wu – this year is shaping up as a true fight.

State Government Composition

- Governor: Maura Healey (Democrat)
- State Senate Control: Democrats
- State House Control: Democrats
- Legislative Session: 1/4/23 – 11/15/23

Nevada: In Nevada, the powerful Culinary Workers Union (CWU) backs rent control supporters statewide. And while CWU-backed elected officials will push hard for statewide legislation, rent control proponents were dealt a blow to their efforts after the sitting governor, Steve Sisolak, lost his election to Republican Joe Lombardo. Still, we expect a strong push in the state legislature, which only convenes in odd-numbered years. The legislation could be similar to a failed ballot initiative put forward by the CWU, which would include no rent increases in the first year and a cap tied to inflation, to be no more than 5 percent. It is also possible that rent control supporters once again pursue a ballot measure.

State Government Composition

- Governor: Joe Lombardo (Republican)
- State Senate Control: Democrats
- State House Control: Democrats
- Legislative Session: 2/6/23 – 6/5/23
**Washington State:** Housing demand far outpaces supply in Washington state, leading to high housing costs. Legislation to lift rent control preemption is regularly introduced by state lawmakers at the behest of local lawmakers in Seattle. We expect this to happen again in 2023.

State Government Composition

- Governor: Jay Inslee (Democrat)
- State Senate Control: Democrats
- State House Control: Democrats
- Legislative Session: 1/9/23 – 4/23/23

**Tier Two Threats**

**Connecticut:** In Connecticut, legislation was introduced in the state legislature this year that would have created a study to explore rent control. While the bill did not gain any traction, supporters may make another push next year.

State Government Composition

- Governor: Ned Lamont (Democrat)
- State Senate Control: Democrats
- State House Control: Democrats
- Legislative Session: 1/4/23 - 6/7/23

**Hawaii:** Multiple state lawmakers in Hawaii introduced rent control measures. These bills failed to get a vote. A renewed push is possible in 2023.

State Government Composition

- Governor: Josh Green (Democrat)
- State Senate Control: Democrats
- State House Control: Democrats
- Legislative Session: 1/18/23 - 5/4/23

**Michigan:** After flipping both the State Senate and State House, Michigan Democrats now control the legislature and the governor’s chair. Democrats have introduced bills to repeal rent control preemption during past sessions of the legislature. Lawmakers in Detroit and the surrounding area are signaling they will do so again in 2023.

State Government Composition

- Governor: Gretchen Whitmer (Democrat)
- State Senate Control: Democrats
- State House Control: Democrats
- Legislative Session: 1/11/23 - 12/31/23
New Mexico: In 2022, the Albuquerque City Council rejected a measure asking state lawmakers to lift rent control preemption. However, state lawmakers have suggested they intend to introduce such legislation in 2023.

State Government Composition

- Governor: Michelle Lujan Grisham (Democrat)
- State Senate Control: Democrats
- State House Control: Democrats
- Legislative Session: 1/17/23 - 3/18/23

Rhode Island: In 2022, legislation was introduced in the Rhode Island legislature that would have limited rent increases to no more than four percent annually. The bill failed to pass but may be reintroduced in 2023. Rhode Island does not maintain statewide rent control preemption. However, incoming Providence Mayor Brett Smiley has signaled his opposition to rent control.

State Government Composition

- Governor: Daniel McKee (Democrat)
- State Senate Control: Democrats
- State House Control: Democrats
- Legislative Session: 1/3/23 - 6/30/23

Tier Three Threats

Arizona: Arizona’s population has swelled over the past decade and the housing supply has not kept up with the demand. Governor-elect Katie Hobbs, a Democrat, released a comprehensive plan to address housing affordability in the state. While the focus of her plan largely prioritizes initiatives to spur development and incentives for low-income residents, it is a state worth watching for rent control activism – however it is worth noting that Republicans hold both houses of the state’s legislature.

State Government Composition

- Governor: Katie Hobbs (Democrat)
- State Senate Control: Republicans
- State House Control: Republicans
- Legislative Session: 1/9/23 - 4/18/23

Kentucky: In 2022, Democrats in both legislative chambers introduced measures to lift rent control preemption. The bills may be reintroduced in 2023, though passage is unlikely given the Republican composition of the legislature.

State Government Composition

- Governor: Andy Beshear (Democrat)
- State Senate Control: Republicans
- State House Control: Republicans
- Legislative Session: 1/3/23 - 3/30/23
North Carolina: Tenant advocates in Charlotte have called for rent control. However, the state currently maintains statewide preemption and Republicans control both houses of the legislature.

State Government Composition

- Governor: Roy Cooper (Democrat)
- State Senate Control: Republicans
- State House Control: Republicans
- Legislative Session: 1/11/23 - 8/31/23

Pennsylvania: A bill was introduced in the state legislature that would impose statewide rent control limiting rent increases to the lower of five percent plus the change in cost of living or 10 percent. The sponsor, Rep. Nancy Guenst, indicated she would push for the measure in 2023. However, it may be difficult to clear the measure through the Republican-controlled Senate. Pennsylvania is one of only two states with divided control of their two legislative chambers.

State Government Composition

- Governor: Josh Shapiro (Democrat)
- State Senate Control: Republicans
- State House Control: Democrats
- Legislative Session: 1/3/23 - 12/31/23

South Carolina: A bill was introduced in 2022 that sought to restrict rent increases to seven percent plus the change in the Consumer Price Index. However, passage is unlikely given the conservative composition of the state government.

State Government Composition

- Governor: Henry McMaster (Republican)
- State Senate Control: Republicans
- State House Control: Republicans
- Legislative Session: 1/10/23 - 5/11/23

Continued Threats

California: Voters in three California cities – Pasadena, Richmond and Santa Monica – approved rent control measures on the 2022 ballot. Further expansion is possible.

State Government Composition

- Governor: Gavin Newsom (Democrat)
- State Senate Control: Democrats
- State House Control: Democrats
- Legislative Session: 12/5/22 - 9/15/23
Maine: Portland voters approved a rent control measure on the 2022 ballot. The South Portland City Council is also expected to take up rent control in 2023.

State Government Composition

- Governor: Janet Mills (Democrat)
- State Senate Control: Democrats
- State House Control: Democrats
- Legislative Session: 12/7/22 - 6/16/23

Minnesota: After a 2021 ballot initiative, St. Paul implemented rent control this past year and quickly witnessed a dramatic decline in development, forcing city leaders to amend the policy. Minneapolis voters also gave their city council the ability to implement rent control in 2021, though local officials have yet to adopt it. At the state level, Democrats gained control of both legislative chambers, so a statewide effort is possible. Multiple rent control bills were introduced in 2022.

State Government Composition

- Governor: Tim Walz (Democrat)
- State Senate Control: Democrats
- State House Control: Democrats
- Legislative Session: 1/3/23 - 5/22/23

New Jersey: The City of Perth Amboy adopted rent control this year. Additional cities could take up the issue in 2023.

State Government Composition

- Governor: Phil Murphy (Democrat)
- State Senate Control: Democrats
- State House Control: Democrats
- Legislative Session: 1/10/23 - 12/31/23

New York: Kingston became the first upstate city in New York to adopt rent control. However, a State Supreme Court judge blocked the city from putting it into effect, citing that it was in contravention of existing law. Efforts to implement rent control in other parts of the state are possible.

State Government Composition

- Governor: Kathy Hochul (Democrat)
- State Senate Control: Democrats
- State House Control: Democrats
- Legislative Session: 1/4/23 – 6/16/23

Oregon: While lawmakers in Oregon enacted statewide rent control in 2019, they continue to explore ways to address the state's housing affordability challenges.

State Government Composition

- Governor: Tina Kotek (Democrat)
- State Senate Control: Democrats
- State House Control: Democrats
- Legislative Session: 1/9/23 - 6/17/23
Conclusion

In state legislatures and city councils across the country, it is clear that rent control will be front and center once again in 2023. We know this policy has failed over and over again. St. Paul serves as the most recent case study demonstrating the dramatic and often immediate consequences of this flawed concept. Ohio lawmakers, on the other hand, opted to enact statewide preemption following an effort by rent control proponents in Columbus. The Ohio legislature as well as local governments opted instead to focus on addressing policies that have thwarted development.

The National Multifamily Housing Council will continue to track rent control activity and advocate for solutions that have proven effective in addressing housing affordability challenges. Additional resources focused on the ramifications of rent control and workable policies to tackle housing affordability can be found at www.NMHC.org/rentcontrol and www.GrowingHomesTogether.org.