



October 14, 2025

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As you likely know, a ballot question has been proposed that would implement one of the nation's most restrictive and damaging rent control laws on the entire Commonwealth. On behalf of our members, we are writing to share the unintended consequences of this ill-conceived rent control proposal and illustrate the magnitude of the harm it will do to Massachusetts' housing supply, our residents, and our communities.

We all agree that Massachusetts is facing a severe housing shortage. The Commonwealth's first-ever comprehensive statewide housing plan identified that an additional 222,000 housing units are needed over the next ten years, yet we are well behind the pace needed to meet this goal. In 2024, Massachusetts permitted just 14,338 new homes - one of the lowest per capita rates in the nation. Without an adequate housing supply or policies that promote new housing development, we will struggle to compete for jobs and maintain the talented workforce that attracts major employers.

The proposed rent control ballot question will not solve this problem. In fact, based on data from across the country and within Massachusetts, this proposal will make the problem worse, hurting tenants, property owners, our economy, and communities.

First, unlike the prior state law that was passed by the legislature in 1970, *this ballot question does not create a local option for rent control: it mandates rent control in every one of the Commonwealth's 351 cities and towns.* When it comes to real estate markets, one size certainly does not fit all. In fact, when rent control was previously allowed, only five communities (Boston, Brookline, Cambridge, Lynn, and Somerville) adopted it. Lynn and Somerville both soon repealed it, Boston significantly scaled back its law, and Brookline was already in the process of phasing out rent control when voters across the Commonwealth it ended for good in 1994. Even now, in the current legislative session, fewer than five communities have submitted home rule petitions seeking local rent control. Forcing every municipality in Massachusetts to adopt a law that most communities do not want is bad policy and bad politics.

Second, the proposed law caps annual rent increases at 5% or the Consumer Price Index (CPI), *whichever is lower.* CPI exceeded 5% only once in the past decade, with an average increase from 2005-2024 of just 2.57%. The proposed cap offers no appeal process and does not account for sharp increases in maintenance costs, property taxes, or insurance premiums, which together would nearly always amount to more than the allowed increase. Over time, this will discourage property owners - particularly smaller landlords - from keeping units on the market or investing in upkeep. When rental housing becomes a less viable investment, supply shrinks and housing quality declines. Historical data from Cambridge and Brookline show that rental stock fell by 8-12% under previous rent control policies, a loss we cannot afford today.

Third, the measure would stifle new housing production. Developers plan on decades-long horizons. Knowing that rent caps will apply after ten years makes projects harder to finance, which means fewer homes get built. In 1977, a committee appointed by Mayor Kevin White to review the City of Boston's policy found that rent control "had adversely affected the City's housing stock" and "noted an alarming decrease in the amount of responsible private investment in Boston's housing market." A 2023 report from the National Multifamily Housing Council found that nearly 88% of investors avoid rent-controlled markets, and St. Paul, MN saw an 80% drop in new housing units permitted after adopting rent control.

Finally, the measure affects entire communities - not just rent controlled units - and creates risks for local budgets. A 2012 study by MIT researchers found that the end of rent control increased property values in Cambridge by \$1.8 billion over ten years, with 60% of that increase attributed to non-controlled homes, highlighting how rent control artificially held down the value of even exempt units. In Portland, ME, which adopted rent control in 2020, studies have found that Portland's total taxable property valuation has been reduced between 3.2-5.4% due to rent control. Those reduced values in turn have raised the municipal tax burden on single family and condominium owners in Portland at a rate beyond what Massachusetts communities can legally implement due to Proposition 2 1/2 - with potentially dire consequences for municipal services like fire and police.

There are alternative paths that will allow Massachusetts to protect tenants and address affordability without suppressing housing supply. We respectfully urge you to weigh the long-term impacts of this ballot measure and consider policies that expand housing supply, keep units on the market, and maintain funding for critical municipal services. Expanding multifamily permitting, advancing transit-oriented development, reforming zoning, and increasing targeted rental assistance are proven ways to address our housing shortage and ensure relief reaches those most in need.

We would welcome the opportunity to discuss these concerns further and collaborate on real solutions to address the housing crisis. Thank you for your leadership and for considering this perspective on such an important issue.

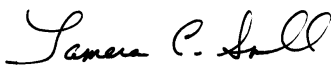
Sincerely,



Greg Vasil
CEO
Greater Boston Real Estate Board



Theresa Hatton
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Massachusetts Association of Realtors



Tamara Small
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NAIOP Massachusetts, The Commercial Real Estate Development Association