



Longtime HP Members Sets Media Straight On Rent Control

Council Keeps Forgetting Rental Owners Are Small Businesspeople

After the recent lopsided City Council hearing and media coverage on rent control, rental owner Pauline Rosenberg gets another Letter to the Editor published in the Philadelphia Inquirer. It's testament to the clout and respect Pauline and HAPCO Philadelphia have earned over the years.

Dear Inquirer Editors:

As council members consider rent control, they also need to consider its unintended consequences.

First of all, there is no cap on expenses for housing providers. Taxes, insurance, utility, and maintenance costs will continue to go up. Unable to increase rents, housing providers will see profits decrease. It is very likely small Mom and Pop providers will sell their holdings and invest elsewhere. For those who stay, they will not make capital improvements.

I renovated a property, spending \$50,000 on a new kitchen, bathroom and other amenities. Of course, I raised the rent. Even with the rent increase, it will take me 5 years to recoup my investment. Would this happen in a rent-controlled property? Absolutely not. In most cases where rent control was established the cost of rents in surrounding neighborhoods went up because of increased demand.

Rent control also discourages new investors from constructing new properties. Because of these negative consequences, 37 states in our country have banned rent control.

Instead of rent control, help tenants who can't afford rents with direct subsidies. Improve the current Section 8 program which is a bureaucratic disaster. Work with housing providers to come up with solutions.

Make the relationship less adversarial and more cooperative. Putting the entire responsibility for affordable housing on housing providers is short sighted, inequitable and will drive many of us out of business. More importantly, statistics tell us, it has never worked. Housing stock decreases, blight spreads and rents go up in bordering neighborhoods.

Good intentions can have disastrous consequences.

Pauline Rosenberg