

From the Desk of  
Representative Knute Buehler  
Regarding House Bill 2004  
K. Buehler

## The Oregonian

### Top bad idea of 2016 campaign season: rent control (Opinion)



Protesters march through the Capitol Building last year calling for local control of rent control laws. House Speaker Tina Kotek plans to bring forward rent stabilization proposals this coming legislative session. But Republican lawmaker Rep. Knute Buehler calls that the "top bad idea" of the campaign season. (Timothy J. Gonzalez/AP)

By Guest Columnist **Knute Buehler**

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As we enter the season where lawmakers start to turn the poetry of their campaigns into the prose of policy-making, there is one idea that deserves a rapid dispatch as the top bad idea of the 2016 campaign season: rent control. Speaker Tina Kotek and recently elected Portland City Commissioner Chloe Eudaly have made this a focus of their policy agenda. Both are well intentioned, but such intentions will pave the road to considerable despair, dislocation and disproportionately hurt for some of the most vulnerable people in our state.

It is surprising to see this advocacy for rent control, an artificial cap on rent increases. (It's sometimes referred to as rent stabilization to avoid the political baggage of the previous older term). There are few topics that so universally produce agreement among economists, but the failure of rent control is one. A widely referenced 1992 poll of the American Economic Association, found that 93 percent of its members agreed that "a ceiling on rents reduces the quality and quantity of housing." Paul Krugman, the Nobel Prize winning progressive economist, has written eloquently how even freshman college students understand the negative effects of rent control. He points out that "rent control sets people against one another," not only tenant versus landlord, but also tenant versus tenant as they compete for ever dwindling housing supply. Overall, there is a large and international body of experience with regards to the negative consequences of rent control, stretching from post World War II England to Massachusetts and most recently, California. In nearly every case, rent control actually hurts the low-income families it was trying to help.

It is clear that Speaker Kotek's intention to institute statewide rent control will produce markedly adverse effects for Oregonians. Based on decades of evidence, the result of this misguided policy will be a decline in the number of rental properties, especially for low income tenants, as landlords sell existing units, underinvest in building new units, and tear down older units to replace them with higher priced ones. Quality of housing also will decline as landlords cut back on maintenance and tenants grow increasingly apprehensive about making complaints due to the decline in rental supply. Opportunity for economic and career advancement will be hampered as it becomes harder and riskier for Oregonians seeking advancement to move within or to cities showing rapid job and pay increases for fear of losing their rent-controlled housing. And there will be a need for a new large government bureaucracy to manage the rent-control scheme that will be loaded with political ramifications as the "housing tribunal" determines reasonable rates of investment return, needed repairs, and allocation of increasingly limited housing supply.

The good news is that there is a powerful, effective tool for tenants dealing with a rapidly increasing cost of housing: more supply. This can be done by increasing public investment in much needed infrastructure, relaxing exclusionary zoning schemes, expanding education in the trades and modernizing our land-use planning system to allow less expensive buildable land. Rather than employing policy ideas that have shown through years of experience to be harmful, we should pursue the proven solution of creating more housing, not more regulation.

*Republican Rep. Knute Buehler is an orthopedic surgeon who represents District 54 in Bend.*