

Impacts of Rent Control in Boston City

Result of 3.0% rent cap

Decreased
Apartment Supply

↓ **739**
apartments not built
each year

Decreased
Maintenance Expenditure

↓ **\$56.8**
thousand decrease in
spending each year

Decreased
Apartment Rental Income

↓ **\$11.1**
million loss each year

Decreased
Apartment Property Values

↓ **\$262**
million loss in value

Decreased
Property Tax Revenue

↓ **\$2.3**
million loss each year

**All of these impacts make Boston
a less desirable place to do business for apartment property investors,
developers, owners and operators.**

Boston apartments and their residents
contribute \$54.8 billion
to the metro economy every year and
support 228,900 jobs.

Sources

1. NAA model based on "Modeling the Impact of Rent Growth Caps on Metropolitan Apartment Markets" Capital Policy Analytics for the National Apartment Association, April 2019. Sources in the aforementioned report include Lincoln Institute of Land Policy "50-State Property Tax Comparison Study for Taxes Paid"
2. CoStar
3. Fred.stlouisfed.org
4. weareapartments.org

Notes

- Impact model results for estimated rent reduction based on CoStar city of Boston, Massachusetts median rent data for 5+ unit apartment buildings and CoStar submarket rent data for multifamily apartment buildings.
- Estimated decrease in maintenance spending based on CoStar data on a number of apartment units in buildings with 50 or more units and average 2-year maintenance spending per unit in the 15 largest metropolitan areas from the NAA Income and Expenses Survey, 2020 and 2021.
- Estimated property return on a 30-year Treasury Bill.
- Property tax loss estimates based on apartment property tax rates for each city reported in the Lincoln Institute of Land Policy "50-State Property Tax Comparison Study for Taxes Paid in 2020", Appendix Table 5A. The estimates of revenue loss reflect assessed value fully following market value changes.
- All source, impact and forecast data cover the city of Boston Massachusetts.