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CURA Rent Control Study Highlights Why Minneapolis Needs Strong Rent Control



Growing Coalition Calls on City Councilmembers to Vote “Yes” to Send Rent Control Amendment to Minneapolis Charter Commission

On Tuesday, the Center for Urban and Regional Affairs (CURA) from the University of Minnesota presented [their Rent Control study](#) commissioned by Minneapolis City Council. The study highlighted the devastating results of City Hall’s failure to pass serious measures to protect tenants from the corporate landlord monopolies that have resulted in sky-rocketing rental increases throughout our city. It showed the overwhelming benefits of a strong, universal rent control policy in Minneapolis, and that the fear-mongering about the negative impacts of rent control from real estate lobbyists is totally overblown.

“The study confirms what renters in Harrison have been experiencing for years,” said Nichole Buehler, Executive Director of the Harrison Neighborhood Association in North Minneapolis, “Our residents can’t afford more delays from City Hall. Right now, 80% of Harrison renters meet the definition of “cost-burdened,” meaning more than one-third of their income goes toward rent. In many cases, renters are paying considerably more than a third of their income--some spend over half of the income on rent. Harrison renters were barely keeping up with rent increases before the pandemic, and now they are barely hanging on.”

[The study showed](#) the terrible costs of failing to take action up until now. Women, immigrants, and people of color disproportionately make up the renters who have been hardest hit. The study showed that rent increases have actually increased since the 2007-08 financial collapse, especially for the poorest 25% of renters, whose average rent increased 44% while their average income increased only 2.9%. Shockingly, it found that if a robust Rent Control policy that tied rent increases to the Consumer Price Index (CPI) of 3% had been implemented over the last ten years, real-estate investors would have still made an average annual return of 8% on their investment.

[Slides 16 and 17 of CURA's powerpoint presentation](#) discussed the potential impacts of rent control. One of the impacts states that Rent Control is “effective in preventing large rent increase” and would “produce lower rents than would exist otherwise”, refuting dishonest claims from big developers and real-estate lobbyists that rent control will actually increase rents. The study also refutes other misleading claims about Rent Control, showing there is “little evidence that production of new housing slows” and that Rent Control would have “few negative impacts on major quality components, or greater negative impacts on aesthetic quality.”

CURA’s study did warn that there was a risk of “tear downs (replaced by new construction)”. In states like California, big developers and corporate lobbyists have successfully won exempting new

construction from Rent Control, and the results have been disastrous for renters. To protect against this, Minneapolis United for Rent Control's [policy proposal](#) explicitly calls for Rent Control to apply to all buildings that have applied for a rental license, regardless of the size of the building or the *year it was constructed*.

Another danger in the study was “condo conversion”, meaning landlords might leave the rental market altogether. Vanessa Del Campo Chacon, a renter in South Minneapolis and leader with Inquilinxs Unidxs Por Justicia said: “We need rent control because with all the rent increases, we are now faced with having to choose between paying our rent or feeding our families. But rent control is not the only measure we need. We also need policies like Tenant Opportunity To Purchase, which would allow for more renters to purchase their homes and overall preserve affordable housing. We are experiencing a real housing solution, and it calls for real solutions including rent control and beyond”

CURA's study also affirmed Minneapolis United for Rent Control's proposal to exclude developer-friendly loopholes like “vacancy decontrol” in any future Rent Control policy. “Vacancy decontrol” allows landlords to raise the rent after a tenant leaves a rent-controlled apartment, corroding rent control's effectiveness over time. Since “vacancy decontrol” was passed in New York City, the number of rent controlled units has fallen from 1 million to 43,000 in 2006, and has continued to fall since. The study pointed out that vacancy decontrol in New Jersey cities undermined Rent Control to the point where rents increased at the same rate as in cities without rent control.

Gianna Bermeo, a renter in Northeast Minneapolis and member of Socialist Alternative MN, summarized the study saying “City Hall's study simply confirms what renters already know: a strong rent control policy that is free from corporate loopholes, is critical for Minneapolis. This does not take away from the additional need to be sober in the fact that corporate landlords and big developers have a lot of power in City Hall, and for this reason we're going to need to build an unwavering movement all the way up until the last vote to ensure a strong Rent Control actually passes.”

[Minneapolis United for Rent Control \(MURC\)](#) is growing coalition made up of The Alliance for Metropolitan Stability, Berean Baptist Church, Bethesda Baptist Church, Bible Based Baptist Church, Cedar Riverside Community Council (CRCC), Centro de Trabajadores Unidos en la Lucha (CTUL), Corcoran Neighborhood Organization (CNO), Fellowship Missionary Baptist, Galilee Missionary Baptist, God's Revelation Church, Greater Friendship Missionary Baptist Church, Greater Mt Nebo MBC, Greater Mt. Vernon Church, Harrison Neighborhood Association (HNA), Macedonia Baptist Church, Minnesota Association of Professional Employees (MAPE), New Beginnings Baptist Tabernacle, New Bethel Baptist Church, New City Church - Minneapolis, New Faith Missionary Baptist Church, New Mount Calvary Church, New Salem Missionary Baptist Church, NuWay Baptist Church, Pilgrim Rest Baptist Church, The Purpose Church, Shiloh Temple International Ministries, Socialist Alternative MN, Spiritual Life Fellowship Missionary Baptist Church, Twin Cities Democratic Socialists of America, Housing Branch (TC-DSA), United Renters for Justice - InquilinXs UnidXs por Justicia (IX), Walker United Methodist Church, Zion Baptist Church.