

Op-Ed: Rent control's record of ruin



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February 19, 2025 at 3:04 PM



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Housing affordability is a real concern, but Washington lawmakers are proposing a deeply flawed solution: rent control. While Argentina [reaps the benefits](#) of repealing its disastrous rent control law, Washington legislators are hurling headlong down the path of ruinous third-world housing policy.

[House Bill 1217](#) would limit rent increases to 7% per year, prohibit any increases during a tenant's first 12 months, cap late fees at 1.5% of rent, and restrict move-in fees to one month's rent. On the surface, this might sound like a win for tenants, but history and economics tell a different story. Price controls – whether housing, food, or wages – have repeatedly failed, leading to unintended consequences that hurt the people they aim to help.

Rent control is a blunt instrument that ignores the complexity of housing markets. Can legislators articulate the principle that requires them to stop at seven percent? Why not six or even or two percent? If lawmakers believe they have the third-party omniscience that qualifies them to set caps on price increases, why not set the price of rent entirely? Or better yet, regulate the price of consumer goods, medical procedures, and pineapples? The answer is simple – because it would be absurd, onerous, and disastrous. Yet, housing is somehow seen as an exception too important to be left to market forces.

Economic theory and history confirm that when prices are artificially suppressed, supply shrinks. Landlords, unable to make a return on investment, sell properties, convert them to short-term rentals, or leave them vacant. Prospective developers—already facing Washington's onerous zoning, land use, and permitting requirements – become even less willing to build. The result? Fewer rental units and higher costs for tenants in the long run.

While rent control may be new for Washington, price controls are an ancient mechanism used by brutal, totalitarian empires leading to the same patterns of failure. Producers respond to artificial suppression of prices by slowing, stopping, or shifting production to non-regulated activities or goods, or resorting to black market activity. Instead of solving shortages, price controls exacerbate them, dragging entire economies into decline.

As Jonathan Milmore of the Foundation for Economic Education [documents](#), governments have experimented with price controls for over four millennia, and each time, they have weakened the very empires that imposed them. From Babylon and Athens to the brutal decrees of Emperor Diocletian, price-fixing has been a tool of state control, suppressing free trade and producing the same results – economic distortions, scarcity, black markets, and eventual decline.

The same principles apply today. Whether it's New York City's failed rent control laws, Nixon's 1970s price ceilings, or Venezuela's economic collapse, the results are always the same: fewer goods, higher prices, and worse conditions for consumers.

While Washington lawmakers won't be executing rent control violators as ancient empires once did, it appears we have not moved beyond the primitive policy itself. Price caps and government-imposed price-fixing remain fundamentally incompatible with a free and virtuous society.

We simply cannot tolerate committees of government agents collectively deciding the correct price of things. If legislators believe that rent is too high, they have the burden to explain why they are the authority figure on what "too high" means. Perhaps if lawmakers spent less time playing the part of Soviet-era central planners and more time getting out of the way of people who build houses, we might have enough homes for people to live in and put downward pressure on rent.

Washington lawmakers are not only providing the wrong answer, they aren't even asking the right question. Instead of asking, "Why is rent so high?" lawmakers should be asking, "Why don't we have enough housing?" Prices are an effect, not a cause. Policies that delay or discourage housing development – such as burdensome zoning laws, impact fees, restrictive building codes, and excessive labor regulations—are the real drivers of high rents. If the goal is affordability, the answer isn't price controls – it's more housing supply.

A developer seeking to build an apartment complex in Washington faces years of delays and millions in fees before a single unit is constructed. They must navigate multiple environmental, labor, and land use regulations, often involving ten or more government agencies. If lawmakers truly wanted to lower rent, they would focus on reducing barriers to construction rather than distorting the rental market.

The United States became one of the most prosperous nations on Earth by embracing free markets and competition. In contrast, countries that have doubled down on economically illiterate price controls have faced stagnation and decline. If Washington legislators are serious about making housing more affordable, they should look at the real causes of the crisis, not pursue a draconian, archaic relic of a policy that has already failed for four millennia and has no place in a modern economy.