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Celebrity realtor Mauricio Umansky slams Los Angeles mayor over 'tremendous mistake' on rent control

The Agency founder argues policy provides short-term relief but doesn't solve housing crisis

The Agency founder and CEO Mauricio Umansky joins 'Varney & Co.' to warn that California's rent control and wealth taxes are driving out builders, investors and middle-class families.

Celebrity realtor Mauricio Umansky, founder and CEO of The Agency, didn't hold back during an appearance on FOX Business' "Varney & Co.," slamming [Los Angeles Mayor](#) Karen Bass (D) for what he called a "tremendous mistake" in doubling down on rent control.

The city recently imposed a new [4% cap on annual rent](#) increases for certain rent-stabilized units – a move the mayor says will protect tenants from steep price hikes. Umansky argued while the policy might sound good politically, it does nothing to solve the city's long-term housing crisis.

"What rent control does is give short-term relief to owners, to renters, but it does not resolve the problem," Umansky told host Stuart Varney.

"The problem is solved by capitalism, and the problem is solved by having more supply," he said.

Umansky, who built a [real estate empire](#) representing some of the world's most exclusive listings, said California's development restrictions are driving prices

higher and strangling growth. He urged state and local leaders to focus instead on expanding supply through construction incentives and deregulation.

"We need to fix the long-term problem," he said. "Cut the red tape, increase supply, [give tax incentives](#) to builders so that we have a larger supply. The larger supply and the lesser demand lowers prices, creates affordability."

Umansky also took aim at California's proposed wealth tax, warning that the state's increasingly heavy-handed fiscal and regulatory policies are chasing away businesses and families alike. The wealth tax targets the ultra-wealthy, applying to individuals with a net worth above \$50 million at a rate of 1% and to those with a net worth exceeding \$1 billion at 1.5%. The intent is to generate revenue for housing, education, and social programs while addressing wealth inequality. However, critics warn that it could drive high-net-worth individuals and their businesses out of the state, potentially reducing tax revenue and [overall economic activity](#).

"I think what made the country great was the freedom of capitalism, the freedom to compete and the freedom to do things," he said. "The middle income is fleeing to a more affordable places like Arizona, Texas, Florida, and we're continuing to see that. "

According to the U.S. Census Bureau migration data, California has experienced a consistent net outflow of residents in recent years, with nearly 340,000 people leaving the state between 2022 and 2023.



Los Angeles city skyline during a sunny day with views of office buildings and neighborhoods. (Simonkr / Getty Images)

When asked whether a Republican could win statewide office in California, Umansky was doubtful but expressed hope for more centrist leadership.

"I would love to see that," he said. "Maybe we can find some sort of a middle ground and get ... an independent that that gets in there, that has a good monetary policy that understands ... how to resolve ... how to have a balanced budget ... how to have safety."

California hasn't elected [a Republican governor](#) since Arnold Schwarzenegger in 2006. Umansky suggested that breaking the state's partisan gridlock might take someone outside traditional party lines.

Varney pressed him further on Gov. Gavin Newsom's rumored 2028 presidential ambitions, asking whether Newsom could convince the rest of America that the country should "look like California."

Umansky was quick to point out the state's ongoing problems.

"He's certainly a very charismatic man ... but there's a lot to prove still in California. You can't just run on your ... charisma and your good looks," he said. "We have affordability issues, we won't have a balanced budget. We don't have safety, we don't have a good lifestyle."

Umansky's message was clear. California's policies, from rent control to taxes, are pushing away the very people who once made it thrive. He argued that only by unleashing market forces and supporting builders can the state restore its reputation as a place of opportunity and prosperity.

"[Homeownership](#) ... creates safety in communities," he said. "We need to bring business back to California. We need to have people be happy in California and stay here."