

Rent control failures revealed in new analysis

BREAKING NEWS

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by Graham Norwood



A new analysis reveals the weaknesses and sometimes failures of rent controls.

Jenevieve Treadwell – a policy fellow at the London School of Economics – has written on the Red Brick housing policy website.

She says that while rent controls are obviously attractive to tenants, they are not a genuine solution to the broader housing crisis “because they fail to address why

housing is expensive in the first place: scarcity.”

In a detailed article she says that controls have been tried in many countries over the past 75 years or so, and are typically varied when unintended consequences appear.

Specifically, Treadwell says: “Analysis of rent control has tended to find that it damages the supply of housing.

“Partly this happens by discouraging construction, but it falls just as readily through removal of existing stock from the market.

“However, there is some disagreement about whether this is a fundamental problem of rent control or a problem that can be designed out of the system.

“Disagreement tends to flow from differing analysis techniques, time periods and metrics.”

She cites examples in Spain, Germany, Norway and the United States and highlights the non-financial consequences of such controls.

She explains: “Rent control breaks the usual link between income and housing choice, in which people weigh space, location and amenities against what they can pay.

“This gives incumbent tenants greater security and less pressure to move. For supporters, that’s a good thing as it prevents gentrification.

“But it also means tenants have every reason to stay put even when their needs change.

“An empty-nester keeps the three-bed flat; a growing family doubles up in bedrooms rather than lose their discounted rent.”

She goes on to say that the inequalities produced by rent controls become ‘baked in’ – sometimes rent-controlled properties can even be inherited by a tenant’s surviving family after death.

And she concludes that rent control “can’t prevent housing being scarce, no matter how many times the design is refined.”

It’s a closely argued piece and you can read it in full here: <https://redbrickblog.co.uk/2026/08/the-trouble-with-rent-controls/>