

Wu floats long-awaited rent control proposal, but many hurdles remain

Administration set to propose a cap of up to 10 percent, tied to inflation, on annual rent increases in Boston.

By [Catherine Carlock](#) and [Emma Platoff](#) Globe Staff, Updated January 18, 2023, 1:18 p.m.



Mayor Michelle Wu's administration is readying a proposal that would cap allowable rent increases on many buildings at 10 percent per year. LANE TURNER/GLOBE STAFF

In a bid to bring rent control back to Boston for the first time in three decades, Mayor Michelle Wu is readying a proposal that would limit allowable rent increases to 10 percent per year.

The plan, which was floated Tuesday to an advisory committee of tenant advocates, developers, and housing experts, is a long way from becoming reality; it would need approval from both the City Council and lawmakers on Beacon Hill. But it outlines one way Wu aims to address the city's housing crisis and fulfill a major pitch of her mayoral campaign.

Wu's approach is modeled on versions of rent control that have recently taken effect in Oregon and California, tying allowable rent hikes to inflation. In this case, it would allow annual increases up to 6 percent higher than the federal government's Consumer Price Index. In a typical year, with 2 percent inflation, landlords could increase rent by up to 8 percent. In high inflation years, like 2022, the measure would never allow increases of more than 10 percent.

It would exempt new buildings for the first 15 years after they open, as well as small owner-occupied properties such as three-deckers. And it would be paired with so-called "just cause" eviction protections for tenants, which require landlords to have adequate reason to launch eviction proceedings on a tenant.

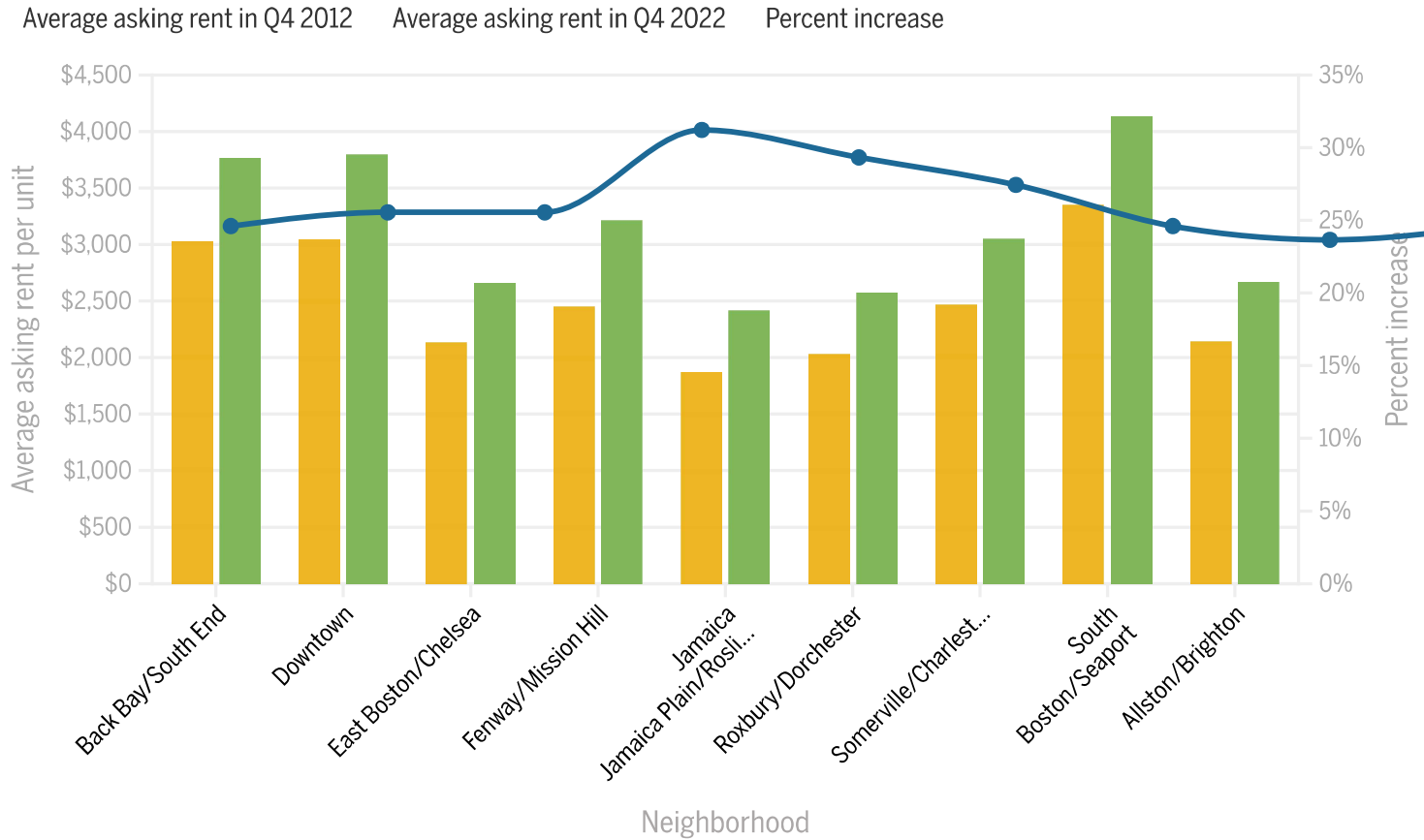
A spokesperson for the city confirmed the details of the proposal discussed Tuesday.

"We continue to work with the advisory committee toward specific legislative language that would protect families from rent gouging and displacement as our city continues to grow," a city spokesperson said. "We look forward to receiving additional stakeholder feedback before filing a proposal with the City Council."

Boston has long been one of the most expensive cities in the country to rent an apartment, and most of the others on that list — New York City, San Francisco, and Los Angeles — have had some form of rent control in place for decades. Meanwhile rents here have surged in recent years throughout the city's neighborhoods, sparking concerns about displacement of working-class tenants.

Average asking rent per unit in Boston neighborhoods, 2012 vs. 2022.

The Fenway/Mission Hill neighborhood saw the sharpest uptick in asking rent, with a 31 percent increase over the last decade.



Source: CoStar

 A Flourish chart

Rent control, Wu has said, is one crucial step in addressing the region’s housing crisis. But getting it done will be a challenge.

Massachusetts voters in 1994 banned rent control across the state (at the time it was in place only in Boston, Cambridge, and Brookline), meaning any proposal in Boston would require not just the City Council but also Beacon Hill to sign off. That's far from certain, as the Legislature has been deeply skeptical of the policy in the past, as was former governor Charlie Baker, a Republican. Newly elected Democratic Governor Maura Healey has been noncommittal, but signaled during her campaign that she may be open to allowing cities and towns to pursue their own versions of rent control.

Indeed, Wu's rent control proposal faced headwinds at the State House immediately on Wednesday, with House Speaker Ronald Mariano saying he has "questions" about the policy, including fears that it could discourage investments in housing.

"It's been voted down a number of times," the Quincy Democrat noted.

Healey, meanwhile, avoided taking a position on Wu's proposal, saying, "It's something I have to look at and review." Similarly, a spokesperson for Senate President Karen Spilka said only that she would review "any finalized proposal" that came before the Legislature.

It's not at all clear when that might happen. City officials would say only that Wu intends to present a version of the proposal to the City Council this year. It will not be filed at the State House this week ahead of a legislative deadline Friday, and rather will go to Beacon Hill as a "home rule petition," which can be sent at any time.

Rent control is a signature policy issue for the progressive Wu, but during her campaign for mayor she mostly spoke in general terms without proposing specific restrictions.

This current draft proposal is the best indication yet of her approach. Still, the proposal is not final; the committee was not presented with draft language for legislation, and the group is expected to meet again before the proposal is formally unveiled.

Wu is aiming to strike a balance that stabilizes the rental market without discouraging much-needed new housing. But she's likely to face opposition from all sides. Tenant advocates would prefer that the cap on rent increases be lower while industry groups and real estate developers generally oppose rent control in any form. And Wu already faces pushback from the development community on her recent proposal to boost the fees developers pay toward affordable housing construction.

Tamara Small of commercial real estate industry group NAIOP Massachusetts contends that rent control will deter the production of new housing, and ultimately worsen the region's supply shortage. Boston is far behind other major metros in creating housing, she said, and rent control "will only worsen the situation."

"If we are trying to create more housing, rent control is not going to achieve that goal," Small said.

But Edward Goetz, a professor of urban and regional planning at the University of Minnesota, contends that exempting newly built properties means the program would not deter future housing production.

"There is no research out there that supports the contention that rent stabilization has killed the new construction market anywhere that it has existed," he said. "There is just no such evidence."

Even if passed as currently proposed, Wu's pitch would be among the least strict rent control policies in the United States, Goetz said. A cap at 10 percent would help prevent rent gouging, he said, eliminating "the abusive stuff at the edge of the market."

Some tenant advocates are unhappy with the plan, noting the proposed cap would still allow landlords to hike rents by hundreds of dollars a month, increases that would accumulate each year, deepening the burden on lower-income tenants who often already pay one-third or more of their income for housing each month.

“It’s not good enough,” said Mike Leyba, codirector at City Life/Vida Urbana. “That is not why [the community] elected a progressive, pro-rent-control mayor. We elected a progressive, pro-rent-control mayor to be on the side of the people who are facing steep, dramatic . . . rent increases.”

Matt Stout and Samantha J. Gross of the Globe staff contributed to this report.

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