

Gordon Von Stroh

University of Denver

303-871-3435

Ph.D. in economics

Studied housing issues since mid-seventies

Board member – Rocky Mountain Communities, chair for seven years

Rent Control Simply does **not work**

Look at **case studies** in US and around the world

In fact, **hurts the people** it is was intended to help

Reduces significantly new housing development

Actually **takes rental housing off** the market (units are individually sold)

Areas where rent control – **developers shy away**

And even more important, the area is stereotyped

And **scarce capital stays away** – major problem, and **especially today**

Lenders require more capital contribution where rent control, lessening development

Developers cannot get money, and **problem will worsen with rent control**

Rent control fosters less maintenance, then lower values, and lower tax value

About 65,000 high school graduates each year in Colorado. We need incentives, not disincentives to attract new housing and new scarce capital.

Statistics

National Housing Market – 8 percent now, highest in 30 years

Colorado Affordable Market	2006 - 5.2% vacant	30% AMI - 2.7% vacant, 40% - 5.2%
	2009 - 6.7% vacant	30% AMI - 2.5% vacant, 40% - 4.8%

We need more 30 and 40% AMI housing, **rent control not help this group.**

Colorado Market Rate	2006 - 7.2% vacant	Average - \$824.54	Median - \$788.02
	2009 - 7.9% vacant	Average - \$839.86	Median - \$782.53

Five percent is generally considered equilibrium.