



March 17, 2026

The Honorable Alice Hanlon Peisch, House Chair  
The Honorable Cindy F. Friedman, Senate Chair  
Special Joint Committee on Initiative Petitions  
Boston, MA 02133

**RE: NAIOP Opposition to the Citizens' Petition, H. 5008, *An Act to Protect Tenants by Limiting Rent Increases***

Dear Chair Peisch, Chair Friedman, and Members of the Committee:

NAIOP Massachusetts, The Commercial Real Estate Development Association, strongly opposes the advancement of the citizens' petition, *H. 5008, An Act to Protect Tenants by Limiting Rent Increases*.

NAIOP is grateful to the Legislature and to the Healey-Driscoll Administration for the recent steps taken to address the housing crisis head on. Over just the past few years, NAIOP was proud to: advocate for the successful passage of the Housing Choice law; work with Gateway Cities representatives and business community stakeholders to secure an increase in the Housing Development Incentive Program; support passage of the Affordable Homes Act; and lead a broad coalition of business groups and affordable housing advocates in supporting the passage of the Permit Extension Act, which protected the pipeline of thousands of housing units across the state. This is in addition to NAIOP's support of the increase in the Low-Income Housing Tax Credit, the Historic Tax Credit, and other critical incentive programs that are already resulting in more housing units being built for residents at all income levels.

Massachusetts residents are facing a housing crisis brought on by decades of underproduction. Annual housing production in Massachusetts has sharply declined since the 1970s despite increases in population and employment. According to the U.S. Census Bureau, from a peak of just over 30,000 units produced/year in the 1970s, the Commonwealth fell to under 20,000 units produced/year, with a low of 15,000 units in the 2010s. According to the Boston Indicators [2025 Greater Boston Housing Report Card](#), new housing construction permits as of July 2025 were down 44% compared to 2021.

The impact of this underproduction is clear: In 2021, a household earning about \$98,000 could buy a home at the low end of the market. By 2025, the required income had climbed above \$162,000. The share of renter households able to afford an entry level home has been cut in half in just four years, falling from about 30% in 2021 to just 15% today.<sup>1</sup> In the rental market, persistent low inventory and high demand continues to drive up the average rental price.

Based on data from markets like Austin, Texas, we know how to address affordability – build more housing. Austin rents skyrocketed during the COVID-19 pandemic as tens of thousands of new residents flocked there and the region's job market boomed. Now, Austin is one of the only major

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<sup>1</sup> Boston Indicators: [2025 Greater Boston Housing Report Card](#)

U.S. cities where rents are falling. The reason? Austin made a concerted effort to build more housing. In 2022, Austin broke ground on 13,000 market rate apartments. As a result of almost 10,000 new apartments coming online in the city, rents fell 6% in 2023, and this trend continued with rents falling another 4% in 2024 and 2025.<sup>2</sup>

In contrast, the policies within the citizens' petition before the Committee today have been proven, time and again, to negatively impact housing production and worsen the existing housing crisis. The Commonwealth's residents and businesses cannot afford the adoption of policies that will further slow already anemic production – exacerbating the housing shortage. Doing so will harm our regional, national and global competitiveness and cast doubt on our future economic growth, especially in light of the [MassBenchmarks survey](#) released in February of this year that predicts that the Commonwealth will face a continued economic slowdown in 2026.

## **I. Rent Control Negatively Impacts Existing Housing Stock**

A study of Los Angeles' rent control law by the Rand Corporation<sup>3</sup> found that 63 percent of the benefit to consumers of lowered rents was offset by a loss in available housing due to deterioration and other forms of disinvestment.

The Census Bureau released data showing that over [26,000 regulated apartments](#) in New York City were pulled offline in 2024. It is important to note that if rent control was lifted in New York City, just these vacant apartments could add almost a year's worth of construction to the housing supply.

We have seen these negative impacts here in Massachusetts. As reported by Rolf Goetze in *Rent Control: Affordable Housing for the Privileged, Not the Poor*, before rent control was repealed, the total number of rental units in Cambridge and Brookline, Massachusetts, fell by 8% and 12% respectively in the 1980s. **Residents in Massachusetts cannot afford policies that restrict the availability of existing housing.**

## **II. Rent Control Dissuades Investment in New Housing Creation**

According to a [National Multifamily Housing Council Report](#) released in January, the presence or threat of rent control in a market dissuades investment. The survey found that 35% of respondents have cut back on investment or development in rent-regulated markets, 41% of respondents said they do not operate in rent-regulated markets and would not consider doing so because of the threat of rent control, and 15% said they have made no changes yet but are considering doing so in rent-controlled markets. This sentiment is already playing out in Massachusetts as reported in [The Boston Globe](#) in March, where a manager of union pensions stated that this pending citizens' petition is dissuading his portfolio from investing in the Commonwealth's housing market.

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<sup>2</sup> NPR Network: <https://www.kuow.org/stories/austin-built-a-lot-of-housing-fast-rents-fell-what-could-seattle-learn>

<sup>3</sup> C.P. Rydell, et al., *The Impact of Rent Control on the Los Angeles Housing Market*. Report N-1747-LA (Santa Monica: The Rand Corporation, 1981).

This means that even if developers would like to pursue new housing construction, they will not be able to fund that construction. Investors represent a broad range of interests from across the globe, from private equity to government pension funds. **Investors are closely aligned on their desire not to invest in markets with rent control policies in place.**

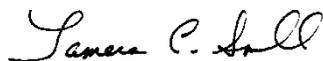
**If the vast majority of investors begin to avoid the Greater Boston housing market, this will directly obstruct the Commonwealth’s ability to lower housing costs through production.** Such an impediment will have a negative impact on the entire Commonwealth’s ability to attract new companies and new residents given the historic concentration of economic investment in the eastern part of the state. This will also lead to overall depression in our retail, life sciences, office and industrial investments, as companies look to locate in markets where employees do not face such high housing costs and where market conditions for all levels of investment are friendlier.

**For these reasons, NAIOP urges the Committee not to endorse the citizens’ petition, H. 5008, *An Act to Protect Tenants by Limiting Rent Increases.***

NAIOP Massachusetts represents the interests of companies involved with the development, ownership, management, and financing of commercial and multifamily properties. NAIOP has over 1,800 members involved with office, lab, industrial, mixed use, multifamily, retail, and institutional space across the Commonwealth. NAIOP’s membership includes both market rate and affordable multifamily housing developers.

Please contact me or NAIOP’s Senior Vice President of Policy and Public Affairs, [Anastasia Daou](#), if you have any questions.

Sincerely,



Tamara C. Small  
Chief Executive Officer  
NAIOP Massachusetts, The Commercial Real Estate Development Association