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Small Property Owners Assoc.
287 Huron Avenue
Cambridge, MA 02139
(617) 354-5533

August 19, 1991

Mr. Joseph Connarton, City Clerk
Office of the City Clerk
795 Mass Ave.
Cambridge, MA 02139

Dear Mr. Connarton:

Please enter the following editorial by the The New York Times, on rent control, as a communication to the Cambridge City Council for the Sept. 16, 1991 meeting.

Sincerely,

Salim Kabawat
Co-Chair SPOA

The New York Times

Founded in 1851

ADOLPH S. OCHS, *Publisher 1896-1935*
ARTHUR HAYS SULZBERGER, *Publisher 1935-1961*
ORVIL E. DRYFOOS, *Publisher 1961-1963*

A Relic Called Rent Control

In the last decade, 155,000 New York City tenants have become homeowners, bringing the proportion of families who own homes to a record 30 percent. That in turn adds a powerful new voice to efforts to revamp the city's destructive and costly rent control laws.

The owners of real property, including co-ops and condominiums, have a natural interest in seeing that renters pay a fair share in real estate taxes — especially now that Mayor David Dinkins has felt obliged to increase those taxes sharply to meet the budget deficit.

The taxable value of rental buildings, however, is artificially depressed because rents are controlled by law. Thus rent-controlled and rent-stabilized buildings pay lower taxes than they would in a free market. That outrageous anomaly depresses the quality of life for everyone.

Though few people know it, rent control is not one of the original laws of nature. New York City apartments have been subject to control for only 48 years. From Peter Minuit until 1943, tenants and landlords negotiated leases without government interference, except for a spell during and after World War I. Without artificially low rents, people had no incentive to cling to one dwelling; they moved freely, and empty apartments abounded.

The rent regulation law expires this year, and owner groups are in court arguing that the 1990 census data prove that at least 5 percent of the city's rental apartments are vacant. A vacancy rate of 5 percent or more meets the legal standard for declaring that the World War II housing shortage is over, and that rent control is no longer required to protect renters from gouging by their landlords.

New York households not subject to rent control or rent stabilization have a vital interest in the outcome. Indeed, the unregulated are now a majority: About 1.7 million families are not covered by rent control or rent stabilization laws; about 1.1 million families are. This unregulated silent majority is being asked to assume \$100 million in real estate taxes that might be collected if regulated high-rent apartment houses were allowed to charge market rents.

The plaintiffs are not seeking deregulation of all housing units, only those in high-rent buildings where vacancies are concentrated. A shortage remains in low-rent apartments because so many low-rent units have been lost by deterioration or abandonment. The plaintiffs' mission is controversial, their goal laudable: to reform an outdated system that's not only unfair but fiscally unacceptable.

Consent Comm. # 23 *S-948*

Comm./received from Salim Kabawat,
Co. Chair of Spoa, transmitting an
Editorial on Rent Control.

In City Council,

Sept. 16, 1991

Placed on file