

Testimony of Don Brunner  
on behalf of  
National Apartment Association and Ohio Apartment Association

House Bill 430  
Senate Energy and Public Utilities Committee

May 31, 2022

Chairman McColley and members of the Senate Energy and Public Utilities Committee, thank you for allowing me to testify today in support of a proposed amendment to House Bill 430 to prevent political subdivisions from enacting policies that will damage our state's housing market. My name is Don Brunner, and I am the president and CEO of BRG Realty Group of Cincinnati. BRG Realty owns and operates thousands of units in the Greater Cincinnati region, with properties in Ohio, Kentucky and Indiana. I am also honored to bring my more than 20 years of experience in the multifamily housing business to my role as the current Chairman of the National Apartment Association (NAA), our industry's national trade association. I am here today on behalf of BRG Realty, the Ohio Apartment Association (OAA) and NAA to ensure that rent regulation policies cannot take root in Ohio.

As an industry, we do not support rent regulation policies – frequently known and practiced as rent stabilization, rent freezing and/or most commonly, rent control – which are government-enforced price control measures limiting the rents that property owners may charge in market rate rental housing. Rent control distorts the housing market by acting as a deterrent and disincentive to develop rental housing and expedites the deterioration of existing housing stock. While done under the guise of preserving affordable housing, the policy hurts the very community it purports to help by limiting accessibility and affordability.

There are many negative impacts of rent control policies, which other witnesses will address, but as the owners of rental units, our experience is that rent control creates negative incentives for property owners. Rent control is a one-two punch of constrained profits and increased costs of complying with the new layers of government bureaucracies that manage the rent control policy.

When left with little to no ability to make a profit, owners have little to no ability to invest in new properties or new amenities for existing properties and even nothing for ongoing maintenance efforts. Many owners are forced to abandon properties or convert those existing rental units to owner-occupied units, usually as condominiums or cooperatives. Simply put, for property owners and operators, rent control means increased costs to tenants and owners alike, reduced quality of rental units and just fewer rental units overall.

For a prime example of how this plays out, I would point to St. Paul and Minneapolis, Minnesota, each of which enacted rent control policies via ballot initiatives last year that are just now beginning to take effect. Rental units in those cities are disappearing via conversion, construction on new rental units has halted and property values are declining. City leaders are now scrambling to mitigate the impact and determine how to roll back these policies.

Instead of more restrictions, we encourage you and local communities concerned about housing affordability to explore policies that promote housing development such as tax abatements for the development of new rental housing and the rehabilitation of existing housing that is occupied by low- and moderate-income individuals and put an end to zoning practices that restrict the development of affordable housing and multifamily housing. Because rental rates are merely a symptom of the larger problem – the housing supply shortage that exists across the income spectrum.

If you would like more information on the negative effects of rent control, I encourage you to seek out the resources available from NAA and the National Multifamily Housing Council.

<https://www.naahq.org/rent-regulation-policy>

<https://www.nmhc.org/news/articles/the-high-cost-of-rent-control/>

I strongly urge you to support this amendment to prevent the enactment of rent control measures in Ohio. Thank you for your time today, I am happy to answer any questions from the committee.