

## SPA Policy Brief

# How Rent-Control Intensity Relates to Tenant Outcomes in California Cities, 2010–2019

### EXECUTIVE SUMMARY

California cities with municipal rent-stabilization ordinances that permit fewer annual rent increases show consistent correlations with reduced residential mobility. However, scholars have shown these to have mixed and sometimes countervailing correlations with citywide rents and measures of affordability. Using three operationalizations of rent-control exposure, [SPA Professor Derek Hyra](#), [SPA Assistant Professor David Schwegman](#), and [Chris Alvarez Campbell](#), a PhD student in the SPA Department of Public Administration and Policy, find that greater policy intensity is associated with (a) fewer households moving during 2010–2019 and (b) modestly higher median citywide rents and a higher share of cost-burdened renter households in some cases. However, there is no robust evidence that intensity substantially changed the level of net new rental-unit construction. These patterns may be shaped by [California’s institutional context](#)—especially the Costa-Hawkins Act’s vacancy decontrol and exemptions—which limits local coverage and produces spillovers between controlled and uncontrolled segments of the rental market.

### POLICY PROBLEM AND CONTEXT

Rising rents and growing housing cost burdens in high-cost metropolitan regions have intensified policy interest in rent regulation as a mechanism to stop displacement and preserve long-term residents. [Second-generation rent-control ordinances](#), common in California, typically [limit allowable annual increases](#) (often by indexing to CPI) but do not freeze rents outright or cover all units. The policy calculus for local governments is complex: ordinances vary in allowable increases, eligibility cutoffs by building age and type, and enforcement capacity. [California’s statewide Costa-Hawkins policy framework](#) further constrains municipal reach by [exempting post-1995 construction, single-family homes, and sites](#) when vacancy decontrol applies, meaning local ordinances often protect only a bounded segment of rental housing stock). The pressing question for policymakers is whether stronger allowable rent caps—what researchers call “intensity”—deliver broader citywide affordability benefits, preserve vulnerable tenants, or create adverse market distortions.



### THE STUDY

The authors analyzed city-level American Community Survey (ACS) 5-year estimates for 2010, 2013, 2016, and 2019 across 373 California cities (1,485 city-year observations), focusing on six outcomes tied to tenant welfare: median gross rent, percent cost-burdened renter households, percent crowded renter households, percent change in median rent (2010–2019), percent change in rental units (2000–2019), and percent households who moved after 2010. They coded municipal ordinances to produce three rent-control measures (binary presence; an ordinal index combining allowable increases and proxies for unit coverage; and a standardized z-score of allowable annual increases) and estimated weighted panel regressions with city and year fixed effects (where appropriate) controlling for demographic and housing-stock covariates.

### KEY FINDINGS

- Reduced residential mobility: Across models, rent-control presence and greater intensity correlate with lower citywide household turnover.
  - In the binary models, roughly five percentage points fewer households moved during the study period in rent-controlled cities;
  - Ordinal and standardized-intensity measures show statistically significant negative correlations with the percent of households who moved since 2010.
  - This pattern is consistent with [other evidence](#) that [rent stabilization increases tenure duration](#) among incumbents.

### KEY FINDINGS CONTINUED

## SPA Policy Brief

# How Rent-Control Intensity Relates to Tenant Outcomes in California Cities, 2010–2019

- Mixed/positive correlations with citywide median rents: The relationship between rent-control intensity and median rents is not uniformly negative.
  - The binary indicator does not show a statistically significant negative association; the ordinal and standardized intensity measures indicate statistically significant positive correlations with higher median rents in two of three models.
  - Moving to a stricter allowable-increase regime (about 1.18 percentage points lower allowable annual increase) is associated with a modestly higher median rent in the standardized-score model).
  - These counterintuitive correlations may be due to spillovers from controlled to uncontrolled units, vacancy decontrol (which allows landlords to reset rents at vacancy), differential enforcement, “banking” of increases, and compositional change in city populations.
- Ambiguous effects on cost-burden and crowding: The models are unclear on the relationships between rent-control intensity and the share of cost-burdened renter households.
  - Some specifications show a positive correlation with higher prevalence of cost-burdened households citywide, while other specifications show null results;
  - The percent of crowded households shows no consistent positive relationship.
  - Rent control may be enabling [lower-income households to remain in a city while still being cost-burdened](#), with [unequal distributional benefits favoring longer-tenured or higher-income incumbents](#), or measurement limits that do not identify whether cost-burdened households occupy controlled units.
- No robust aggregate impact on rental-unit construction: They found no consistent relationship between rent-control intensity and net new rental-unit construction during the 2010s. [This neutrality](#) is likely shaped by [Costa-Hawkins exemptions \(which remove recent construction from local controls\)](#), [other local land-use constraints](#) that dominate developers’ decisions, and [segmentation of supply-side effects by price tier](#).

## INTERPRETATION AND MECHANISMS

These findings suggest that municipal rent stabilization in California functions most reliably as a tenure-preservation and anti-displacement instrument for those covered, rather than as a broad citywide affordability lever. [Reduced mobility among incumbent tenants](#) aligns with [policy goals of neighborhood stability and displacement mitigation](#), but [lower mobility can also generate allocative inefficiencies](#) (units retained by lower-value occupants) and [personal welfare trade-offs](#) (longer commutes, fewer job matches) for some households. Positive correlations between higher-intensity caps and median rents likely arise from interaction effects: [vacancy decontrol enables landlords to reset rents at market rates between tenancies](#); controlled units form only part of city markets; and strategic landlord responses (evictions, harassment, banked increases) can [offset intended price-stabilization effects](#) in covered units.

## POLICY IMPLICATIONS AND RECOMMENDATIONS

### **1. Treat rent stabilization as part of a policy package, not a stand-alone cure.**

Because local rent control under Costa-Hawkins is partial in coverage and subject to vacancy decontrol, localities should [pair stabilization with supply-side measures](#) (accelerated affordable housing production, inclusionary policies, fees and permit reforms) and [demand-side subsidies](#) (targeted vouchers) to broaden impacts on affordability citywide.

### **2. Strengthen tenant protections and enforcement.**

To [preserve the anti-displacement benefits](#) while [minimizing circumvention](#), jurisdictions should build robust enforcement mechanisms (adequately resourced rent boards, tenant outreach and legal assistance), pair caps with just-cause eviction protections, and track landlord behaviors such as banking increases and capital pass-throughs.

### **3. Monitor distributional outcomes and target supports.**

Cities should collect unit- and household-level administrative data to [monitor who benefits from stabilization](#) (by income, race/ethnicity, tenure) and, if necessary, deploy [targeted rental assistance](#) to prioritize the lowest-income and most vulnerable renters who may not be receiving the

## SPA Policy Brief

# How Rent-Control Intensity Relates to Tenant Outcomes in California Cities, 2010–2019

---

primary benefits of incumbency-focused limits.

#### **4. Coordinate regional policy responses**

Given spillovers between controlled and uncontrolled markets and cross-jurisdictional mobility patterns, regions (counties and metropolitan planning organizations) should [coordinate production, subsidy, and tenant-protection policies](#) to [avoid unintended pricing pressure](#) on neighboring jurisdictions and uncontrolled sectors.

## RESEARCH AND EVALUATION PRIORITIES

### Future research should:

1. Use quasi-experimental variation (staggered ordinance adoptions, repeal episodes, or administrative enforcement changes) to [identify causal impacts of intensity changes](#) and to [isolate spillovers across jurisdictions](#).
2. [Link unit-level rent data, eviction filings, and tenant demographics](#) to [assess allocation effects, enforcement disparities, and whether cost-burdened households inhabit controlled versus uncontrolled units](#).
3. Evaluate how rent stabilization interacts with zoning, permitting, and production incentives to determine combinations that maximize affordability and minimize negative supply effects.

## CONCLUSION

[Campbell, Hyra, and Schwegman](#) provide evidence that higher-intensity local rent-stabilization measures in California are reliably associated with lower citywide residential turnover but do not consistently deliver lower citywide rents or broad reductions in cost-burden prevalence; they also do not show clear aggregate effects on new rental construction during 2010–2019. In California’s constrained statutory environment, rent stabilization appears best framed as an anti-displacement instrument that should be coordinated with enforcement, targeted subsidies, and supply-expanding reforms to achieve durable, equitable housing outcomes.