

November 2020

HOT TOPIC ALERT

Rental Restrictions



Rentals are a growing share of the real estate market. Many Americans choose to rent for a variety of reasons, but the overall number of renters nationwide is increasing. According to the [Pew Charitable Trust](#), over 36 percent of Americans are renting their homes. This is the highest percentage since 1965. This increase is due, in part, to the notion that rentals are no longer viewed as just a preliminary step before a person buys a home, but are considered a longer term, if not a permanent, choice.

In this Hot Topic Alert, we provide a current snapshot of the residential rental market. We summarize some of the policies that limit property rights in the rental community, from licensing, health and building codes, utilities/essential service standards, privacy/access laws, and property abandonment, to taxation, zoning, confiscation of property, and tenant screening. We also show how REALTORS® can influence government policies affecting the rental market.

RENTALS AND THE HOUSING MARKET

Rentals and the housing market have fundamentally changed since the [Great Recession](#). This change is reflected in an overall shift in the composition of demand for rental housing, a rise in short-term rentals (STRs), and increasing state and local government efforts to control the market.

Rental markets have tightened and with vacancy rates at historic lows, the resulting effect is steep rental fees. This upward shift includes an increase in the number of [high-income households that are renting](#). Meanwhile, rentals have been on a sharp uptrend, with new residential construction focused on high-end rentals and dramatic declines in the supply of low-cost rentals. In the decade from 2008 to 2018, the overall supply of rental units increased by 13%. These additions to the nation's rental stock have been primarily large multi-family developments and single-family homes.

According to a [2020 Harvard study](#), there were 47.2 million rental units in the U.S. in 2018. About one third of these were single-family homes, while most of the remaining two thirds of rental units consisted of units in multi-family buildings. 17% were in small apartment buildings (2 - 4 units), 23% in mid-size buildings (5 - 19 units), and 23% in large buildings (20 or more units). Manufactured homes account for about 4% of rental stock. The characteristics of rental markets vary widely across the U.S. In the Northeast, for instance, single-family rental units make up only about one-fifth of rentals, whereas in other regions single-family units typically make up more than one-third of the rental stock. Low-cost rental units are more prevalent in the Midwest and South.

The characteristics of these markets are changing as well. [Mixed-use developments](#) are rising in popularity. A mixed-use development is a combination of residential and non-residential units. Flexible zoning allows a single development to combine various uses such as residential, commercial, office, and even light industrial or manufacturing, into a single building or district. Mixed use developments are popular for a number of reasons. Cities that have mixed-use developments point to increased [property values](#), lower infrastructure costs, and a [general economic revitalization](#).

Another type of rental that is growing in popularity is the [accessory dwelling unit](#) (ADU). These are rentals built on the same lot as, or attached to, single-family homes. They are known by terms such as “granny flats” or “coach houses.” The popularity of these units is growing, both as a way to provide more family living space for a homeowner, or as a way to generate extra income. At least 15 jurisdictions in the U.S. have adopted ordinances to promote the building of ADUs, as a way to incentivize affordable rental housing development through [in-filling](#).

LONG-TERM RENTAL MARKETS

The [urban rental market](#) makes up a large share of residential rentals. In 2017, 41% of all occupied rentals were located in dense urban areas. This market is characterized by large apartment buildings and high population density. In fact, 61% of rental structures with 20 or more units are in the highest-density urban areas in the country. In urban areas, single-family rentals are

distributed relatively evenly, making up about thirty percent of the rental stock in urban neighborhoods. The median gross rent in high-density urban areas was \$1,110.

In [non-metro areas](#), 47% of rental units are single-family units and 18% are in small apartment buildings. In these areas, manufactured housing makes up 14% of the stock, while mid-sized multifamily structures account for 14%, and large multifamily structures account for 8%. In 2018, 84% of non-metro rentals rented for under \$800 per month. In rural communities, rental stock is severely limited while rents average only \$700 per month.

Across all long-term rental markets, the average vacancy rate in 2019 was only 6.9%. This is the lowest vacancy rate since the 1980s.

SHORT-TERM RENTAL (STR) MARKETS

The launch of Airbnb more than a decade ago introduced a new source of revenue for many property owners: the [short-term rental \[STR\] market](#). Since then, STRs have drastically changed the entire rental market landscape. Airbnb now has at least a dozen [competitors](#), such as HomeAway, VRBO, Vacasa, TurnKey, Booking.com, FlipKey, and Hotels.com. Some of these competitors are sites that were formerly dedicated exclusively to hotels and other traditional short-term accommodation businesses, but that have now opened up their platforms to include small STR investors.

Another subset of the STR market is [corporate housing](#), defined as fully-furnished, temporary housing, typically in an apartment setting. Rentals of corporate housing are typically for 30 or more days, and are aimed at providing temporary accommodation for traveling professionals engaged in contract work, projects, or training, or who are relocating for their jobs and need transitional housing. Corporate housing occupies a place at the [intersection](#) of long-term and vacation rental housing. It typically includes a range of services customized to the customer's needs. Corporate housing tends to operate on a business-to-business model, with providers who are insured business entities and clients who are vetted professionals. [Revenue](#) for corporate housing in the U.S. and Canada was estimated to be \$3.6 billion in 2017.

Many communities have enacted [measures](#) to restrict or ban STRs. Neighborhoods often profit from an increase in visitors due to STR listings, but opponents complain that STRs disrupt the traditional lodging industry and jeopardize long-term housing affordability and availability. The severity of STR restrictions varies widely [across the U.S.](#) A number of cities have [walked back](#) their outright bans on STRs because the bans violated property rights. Currently, the most common restrictions limit the number of STR listings per address or the number of nights per year a unit may be rented, and impose a wide range of requirements such as business licensing, lodging taxes, insurance, and safety and emergency precautions, with stiff fines for violations.

STATE AND LOCAL POLICIES AND PREEMPTION

State and local rental restrictions aim at a huge variety of goals, such as promoting civil rights in the rental market, raising revenue through taxation, protecting the safety and health of residents, promoting affordable housing, and shaping neighborhood identities.

Federal and state laws may [preempt](#) local rental restrictions. For instance, the [Supremacy Clause](#) of the U.S. Constitution provides that federal law is “the supreme law of the land.” This means that state and local laws are invalid if they are inconsistent with federal law. At the state and local level, local governments have varying degrees of power. In some states, municipal government powers are limited to those explicitly given to them. In other states, “[home rule](#)” is allowed, meaning that some or all cities or towns can exercise any power and perform any function unless it is specifically prohibited from doing so by state law.

Preemption issues arise frequently in the fields of fair housing, rent control, and restrictions on STRs. For instance, at least half of U.S. states ban local [rent control](#) measures (legal limits on the amount a landlord can demand for leasing or renewing a lease on a home). A number of other states have also considered legislation to [prevent](#) local governments from banning STRs. On the other hand, Oregon and California have taken preemption in a different direction, and in 2019 became the only states to impose statewide rent controls.

Federal laws also have an effect on local rental practices. The most prominent example is the federal Fair Housing Act (“FHA”). The FHA prohibits most discrimination in the sale, rental, and financing of housing. States and municipalities may not set any policies that interfere with these FHA goals. Some [state and local laws](#) provide even more protections. For example, [New York](#) goes further than the federal law and prohibits rental discrimination based on citizenship, partnership status, gender identity, lawful occupation, and lawful source of income. [California](#) prohibits discrimination on the basis of sexual orientation and marital status.

The FHA contains a large loophole for owner-occupied buildings with four or fewer units and for single-family homes rented without a broker (so long as the owner does not own more than three houses). This is the “[Mrs. Murphy](#)” exception to most of the federal fair housing law (“Mrs. Murphy” being a hypothetical elderly widow who has converted a portion of her home into a rental apartment to supplement her limited income). A Mrs. Murphy landlord may lawfully discriminate against others in choosing her tenants. The portion of the national rental housing stock that is subject to Mrs. Murphy exemptions is [unknown](#), since neither housing agencies nor the U.S. Department of Housing and Urban Development (HUD) keep such statistics.

In any case, states and local governments have largely removed the Mrs. Murphy exemption, or at least narrowed it. For example, [Massachusetts’s fair housing law](#) generally applies to all but owner-occupied, two-family houses. California laws also cover landlords who would otherwise be exempt from federal law, such as landlords of owner-occupied properties with four or fewer units.

TAXATION

[Property taxes](#) are levied on land and buildings by local governments, such as cities, counties, and school districts, in all 50 states and the District of Columbia. The tax is based on the value of the property. Property taxes accounted for more than 30% of state and local tax revenues in 2016, more than any other tax source. Property [tax rates](#) vary widely across the U.S. The lowest median property taxes in the country (some counties in Alaska, Louisiana, Alabama, New Mexico, and Texas) were less than \$200 per year. The highest median property taxes in the country are over \$10,000 per year (counties near New York City in New Jersey and New York).

Because property tax is imposed as a percentage of assessed price, it may be thought of as part of the [rate of return](#) on a property investment. The government authority collecting the property tax is like a silent business partner claiming a portion of the property income. As a percentage of the rental value of a property, property taxes were about 12% of the aggregate rental value of residential real estate in 2017. As property taxes increase, rental prices may increase as well. However, market forces may prevent a landlord from raising rents to keep pace with property tax increases. This means that landlords may take their rental properties off the market entirely if property taxes climb too high.

Additionally, tax rates are based on the type of property use in certain areas. Some localities may define STRs as [commercial use](#) rather than residential use properties, which shifts the property into a different, and often higher, tax bracket.

Landlords must, of course, pay federal and state income tax on rental income. However, a number of [tax deductions](#) are available, some especially for small landlords, and it is worth learning how to take full advantage of those. Small landlords may be able [deduct up to \\$25,000](#) in rental property losses from their rental income each year.

OCCUPANCY, DENSITY, AND INCLUSION

The supply of affordable housing in American cities is tight. Often, it is limited by governmental action. Zoning requirements in many cities may discourage the development of affordable housing. Many cities are working to address this problem with regulation that includes a market component to make compliance attractive to developers. [Inclusionary zoning](#) is a [market-based approach](#) to providing affordable housing. This type of zoning requires or encourages developers to set aside a certain percentage of housing units in their projects for low- and moderate-income residents. The practice leverages private-sector development, minimizing the financial subsidies required to meet affordable housing goals. It also promotes several policy goals. In gentrifying neighborhoods, inclusionary zoning can help slow the displacement of low-income households. [Research shows](#) that inclusionary zoning also provides low-income families with access to low-poverty neighborhoods and better performing schools.

Another approach has been to increase the overall supply of housing. More and more cities are creating “[density bonuses](#).” Density bonuses attempt to compensate landlords willing to [set aside](#) a portion of their rental units to disadvantaged groups such as low-income tenants or senior citizens, by increasing the permitted residential density in new multi-family units.

HEALTH, SAFETY, HABITABILITY, AND NUISANCE

[Health and safety codes](#) set minimum standards for rental property in areas such as energy efficiency, home safety and security from crime, moisture and weatherproofing, notices and disclosures, occupancy and access, pest control and extermination, and smoke and carbon monoxide alarms. In addition, many communities have [occupancy restrictions](#) that limit the number of people allowed to live in a single residential unit. These measures attempt to protect tenants from health and safety risks related to overcrowding. In [Austin](#), Texas, for instance, city land use and maintenance codes allow no more than 6 unrelated adults per dwelling and no more

than two adults per bedroom of 120 square feet or less. During the COVID-19 public health emergency, some localities [temporarily prohibited STRs](#) from operating. By Summer 2020, many of these locations had lifted the STR-shutdown, but with [new public health restrictions](#) in place.

Landlords have a [duty](#) to provide habitable and safe residential units. Those who provide substandard housing by failing to comply with [building codes](#) or [health and safety codes](#) face fines, as well as [liability](#) for injuries. Depending on the nature of the violation, tenants may have the option to make repairs themselves and to [deduct the costs](#) of repair from the rent or to vacate the unit with no constraints. Tenants may attempt [rent strikes](#) by withholding rent payments to protest uninhabitable conditions. However, these strikes may trigger eviction proceedings by the landlord. In some jurisdictions, tenants may pay their rent to a court-appointed receiver in order to avoid eviction while a dispute over essential repairs is pending.

Most cities also maintain [public nuisance](#) or [abatement](#) ordinances. These are regulations that hold property owners liable for criminal, annoying, or disturbing activity at their property, even if that activity is from tenants, rather than the owners. These ordinances may include criminal penalties against the owners. In [Cleveland](#), Ohio, for instance, landlords face penalties if tenants set waste containers out too early before pickup or leave them out too long in the street after pickup. Landlords typically have a duty to protect the neighborhood from the [criminal activities](#) of their tenants. For instance, a landlord who allows drug dealing by tenants (or others) on his property can be sued for public nuisance and face fines or criminal penalties.

CONTRACTS AND RESPONSIBILITIES

The relationship between a landlord and his or her tenants is closely regulated. For example, [most states](#) have laws addressing the maximum allowable amount of damage deposits and requirements for the return of damage deposits when a tenant moves out. States also require that landlords follow [eviction procedures](#) (known as ejectment or unlawful detainer proceedings, depending on the jurisdiction) in order to repossess rental property. The laws governing these actions usually set out a limited list of reasons for bringing such an action. “Not paying rent” is a valid reason, but most of the time, “I just don’t like them” is not. During the COVID-19 emergency, many [state governments](#) blocked landlords from evicting residential tenants for nonpayment of rent. In addition, the federal government imposed a [nationwide eviction moratorium](#) in September 2020 effective until the end December 2020. The federal measure is not automatic, however; tenants must certify that they meet [eligibility requirements](#). Rent (plus interest) continues to accrue during the moratorium, with unpaid amounts coming due once the moratorium is lifted.

Roughly half of states have rules governing [landlord entry](#) into tenants’ units. Landlords generally have rights to enter property for [limited reasons](#), but only upon notice. These reasons usually include, making necessary repairs, in order to sell or rent the property, and in order to inspect for health or safety concerns

State and local measures also frequently address [utilities](#) such as [water and sewer services](#). These govern who is responsible for continuation of services, as well as notification requirements and the utility’s right of collection in case of delinquency. For instance, in [Washington](#), the landlord, who is ultimately responsible for utility charges even if the utility account is in the tenant’s name,

risks incurring property liens for unpaid utility bills. Some states, such as [New Mexico](#), provide a method for landlords to absolve themselves in advance of their obligations to be responsible for their tenants' unpaid utility bills.

The basic action of finding out more about a potential tenant before allowing them to move into a rental property is also a big issue. [Tenant screening](#) refers to the fact-finding part of identifying applicants for a rental unit. Prospective tenants must often submit to criminal background checks. Fair housing laws provide that landlords may not discriminate against applicants based on a [protected characteristic, such as race](#). However, given that non-white people are convicted of crimes at a much higher rate than white people, landlords must take care that screening tenants does not have a discriminatory effect. HUD has issued [guidelines](#) to eliminate discrimination in criminal background checks. Some cities have also taken steps towards [limiting landlord background checks](#), by setting clear guidelines for what may be considered when checking a tenant's background.

ILLEGAL OPERATORS

Most jurisdictions require some type of [license](#) for landlords. In general, landlords are required to obtain a certificate of occupancy and a housing business license for each unit. Despite these requirements, [illegal rental units](#) are relatively common. They lack the required certificate of occupancy to verify that a residential building complies with building codes and is safe to live in. A lease contract for such a unit is likely [void](#) and unenforceable. For instance, in California, the landlord of a unit lacking a certificate of occupancy is not entitled to collect rent from the tenant. Many jurisdictions impose stiff fines on landlords caught renting out illegal units. In [New York City](#), the penalty can reach \$15,000. Landlords who rent out illegal units also open themselves up to [lawsuits by tenants](#), leading to rescission of the lease. In these situations, the landlord may be forced to repay some of the rent to the tenant as well as paying the tenant's relocation costs. A landlord's property insurance company might also refuse to pay for damages caused by the tenant of an illegal unit or to cover the landlord for injuries to the tenant in the illegal unit.

UNINTENDED CONSEQUENCES AND IMPACT ON PROPERTY RIGHTS

[Regulation](#) of the use of privately-owned real estate promotes a variety of public goals, such as orderly development of neighborhoods, providing adequate amounts of housing, and protecting environmental resources. However, these regulations can restrict the private right of the property owner to use his or her property and reap some economic gain.

Zealous regulation of the rental market may also have unintended consequences. If restrictions squeeze owners to the point that the legitimate market is unprofitable or difficult to enter, they may choose to enter the illegal market instead. Excessive restrictions may also hurt tenants by reducing the availability of housing stock and impacting housing security. For instance, in [Cleveland](#), tough regulations that punish landlords when their tenants violate local rules (including minor violations like putting out the garbage too early) have been connected to actions by landlords that undermine tenants' housing security. These actions have included excessive tenant screening, hassling of tenants, elevated rent prices, rushing to evict, and bottoming out the lower end of the housing market in the midst of a citywide housing shortage.

Rental restrictions tend to have a negative effect on rental property values as well. Introduction of rental restrictions may prevent new units from coming on the rental market and this would decrease supply of permanent affordable housing options, possibly leading in the long run to higher demand and values of rental units.

Restricting the number of rental units in a neighborhood has an [uncertain effect](#) on the values of neighboring, non-rental properties. At least one study has found that having STRs in the neighborhood can significantly [increase property values](#). STRs also [increase overall rent prices](#). [Land-use controls](#) that [limit unit density](#) can also unduly burden property owners by curtailing the profitability of property and hampering the ability of landlords and property owners to keep up with changing markets.

As noted earlier in this paper, rent control policies have been put into place in some states and even city by city. These policies face much criticism. [Rent control](#) laws often have [unintended negative effects](#) on communities. Economists agree that [rent ceilings](#) reduce the quantity and quality of available housing. If the rent ceilings are too low, landlords choose to [sell, convert, or demolish](#) their rentals rather than hold onto unprofitable property. Although rent control appears to help current tenants in the short term, in the long term it [decreases affordability, spurs gentrification, and creates negative spillovers](#).

Excessive rental restrictions could also amount to an unconstitutional taking of property. The [5th Amendment](#) of the U.S. Constitution states that “private property [shall not] be taken for public use, without just compensation.” States may also provide (e.g., by state constitution or state statute) more robust protections for private property than the federal Constitution does. If a property restriction deprives an owner of most or all beneficial use of his property, the restriction may be considered a [regulatory taking](#). This is a common argument brought by landlords opposing rent controls and other rent restrictions that devalue or hinder the use of their property. Property owners have had [mixed results](#) with these claims, however. Usually, these restrictions are upheld because courts find that the regulation has not deprived the owner of all beneficial use of the property.

Landlords in Washington challenged an ordinance which required them to rent their property to the first qualified applicant. The [Washington State Supreme Court](#) upheld the ordinance because it did not cause a permanent physical invasion of the property, nor did it deprive the owners of every economically beneficial use of it. In June 2020, New York landlords attempted to defeat an [eviction moratorium](#) imposed by Governor Andrew Cuomo during the COVID-19 public health emergency. The federal trial court upheld the moratorium, even though the landlords argued that it effectively prevented them from making any economic use of their property. The court reasoned that all property owners understand that property ownership does not grant an absolute freedom from public programs which are enacted for the public good and that, in any case, the moratorium was only a temporary reallocation of resources.

REALTOR® INVOLVEMENT ON RENTAL RESTRICTION ISSUES

The National Association of REALTORS® ([NAR](#)) and its state and local associations are vigorous and effective advocates on rental issues as they represent the nation’s 1.4 million REALTORS® and 75 million property owners.

At the national level, [NAR's Land Use Initiative](#) is a program designed to assist state and local REALTOR® Associations in their public policy advocacy of land use issues by providing recommendations to requesting REALTOR® associations desiring to improve/support/oppose proposed state or local land use measures. Upon request, NAR will provide expert analysis of the legal, planning, economic and environmental issues surrounding legislative and regulatory land use proposals. NAR, through its consultant Robinson & Cole, has provided guidance and [expert opinion](#) on more than 1,000 different legislative and regulatory proposals that affect the interest of REALTORS®.

Recent requests include an August 2020 review of the draft city ordinance proposed by Lafayette, Louisiana to limit the geographic distribution of STRs to certain zoning districts and to require owners to obtain and prominently display a certificate of occupancy for the property. While the analysis found that the proposed ordinance is considerably less burdensome than some others, portions of the proposal are vague and confusing, while the display requirement for the certificate of occupancy could have the unintended consequence of making STR properties a target for crime.

Another August 2020 request deals with a proposed transient occupancy lodging (“TOL”) ordinance in Hudson, New York. The proposal would limit TOL to certain districts and require conditional use permits, as well as maximum occupancy, safety equipment, and inspection requirements. The analysis finds that the TOL ordinance unreasonably infringes on private property rights, in particular the core property right to rent one’s property.

A third recent request, from July 2020, deals with proposed zoning regulations in Calhoun County, South Carolina. The proposal would create two new zoning districts within a previously unrestricted area. This would significantly limit the way the land can be used for residential development, drastically reducing the districts’ development potential, and causing some existing developments to become nonconforming.

Additionally, local REALTORS® are active participants in the public decision-making process on property-owners’ rights. Expertise and advocacy by REALTORS® fighting new rental restrictions has yielded a string of successes across the U.S. NAR’s [Advocacy Everywhere](#) program is specifically designed to expand the influence of the National Association of REALTORS® and REALTOR® Associations on public policy like rental restrictions. Using Advocacy Everywhere, State and Local REALTOR® Associations can quickly mobilize REALTOR® and Consumer constituents and ask that they “take action” by writing or calling their elected officials or show up to town halls or committee hearings on these issues.

For instance, the [Santa Barbara Association of REALTORS®](#) raised significant [concerns](#) with a proposed just cause and relocation ordinance in August 2020. The measure would have required landlords to show just cause for residential evictions and required landlords to give tenants relocation assistance payments for no-fault just cause evictions. As a result of concerted action by area REALTORS®, the City Council [rewrote](#) the ordinance in line with the REALTOR® positions, such as making relocation payments per unit rather than per tenant.

The [Oakland/Berkeley Association of REALTORS®](#) successfully fought to keep several exemptions to the [proposed rent stabilization and eviction for good cause ordinance](#). The proposal appeared on the November 3, 2020 ballot, and [passed with 54% of the vote](#).

In a fight to prevent amendments to the [residential landlord tenant ordinance](#) in Summer 2020, the [Chicago Association of REALTORS®](#) rallied its members, and over 3,400 REALTORS® stepped up to take action. The amendments increase tenant notification of lease termination to 90 days from 30 and provide tenants with a \$2,500 relocation fee if a landlord would like to renovate, convert units to a condominium, or demolish the building within 90 days of the tenant leaving.

The [Cape Cod and Islands Association of REALTORS®](#) joined the Planning Board on the issue of STR zoning to recommend to the City Council in the Summer of 2020 to [keep STRs](#). Meanwhile, [Delaware REALTORS®](#) successfully lobbied the Delaware Governor to [lift the STR ban](#) in the wake of COVID-19. In March 2020, the [Raleigh Regional Association of REALTORS®](#) successfully lobbied the Raleigh City Council to [undo STR restrictions](#) put in place by the last City Council.

When the Maui Council considered phasing out STRs, the [REALTORS® Association of Maui rallied](#) more than 100 people to attend the Town Hall and the City Council appeared to back off the proposal.

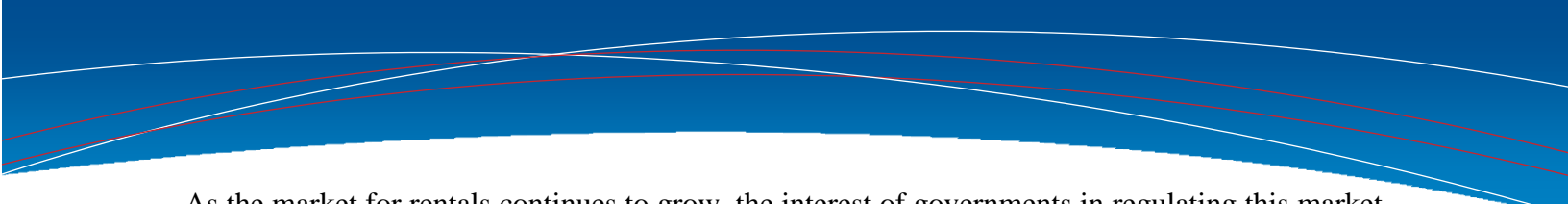
The [Greater LA Association of REALTORS®](#) opposed a proposed 1-year minimum lease on all rentals in West Hollywood. As a result of concerted public participation and protest against the measure, the City Council tabled it indefinitely.

The [Kansas City Regional Association of REALTORS®](#) fought strict proposed provisions of the tenants' bill of rights which would have led to increased regulations and costs associated with renting to tenants. Landlords were able to work with stipulations in the version of the [bill](#) finally passed by the City Council at the end of 2019.

The [Boise Regional REALTORS®](#) got involved in public discussions about the mayor's recommendations on limiting STRs to one unit per property with requirements for owner occupation and licensing. This led to an outpouring of public opposition. The mayor [withdrew](#) the recommendation in November 2019.

The [Greater Metropolitan Association of REALTORS®](#) (MI) got involved when the Livonia City Council was [considering](#) restrictions on STR properties in Spring 2019. As a result of public opposition to the measures, including REALTOR® involvement, the City Council backed off of the restrictions.

When the Village of Rhinebeck, New York, was considering strict STR restrictions that included an annual lottery for no more than 15 homes and rentals for 16 days per year, the [Dutchess County Association of REALTORS®](#) successfully lobbied to soften the measure. The regulation [version](#) that the Village Board approved in late 2019 allows un-hosted rentals with renewable permit requirements.



As the market for rentals continues to grow, the interest of governments in regulating this market will likewise continue to grow. NAR and its state and local REALTOR® associations will continue work to make sure that these restrictions protect the interests of property owners, and do not put too much burden on the rental market.

CONCLUSION

As more and more Americans choose to rent, the number of properties available to rent must grow as well. In the midst of this growth, reasonable restrictions on rentals can be helpful. They can protect tenants, provide landlords with a measure of certainty, and help communities and neighborhoods by making sure rentals do not have a negative impact on the community. Some market-based approaches to regulation have been shown to actually increase the amount and affordability of rental housing. But when rental restrictions actually distort the market and impair the freedom of property owners, rental properties are forced off the market, and the restrictions hurt more than they help.

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Growth Management Fact Book: Analysis of issues related to land use and modern growth management topics include: density — rate of growth, public facilities and infrastructure, protection of natural resources, preservation of community character, and affordable housing.

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