GAME CHANGERS
Economic Policies for a Working America

POLICY BRIEF

National Rent Control

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JULY 2026

The Problem

The majority of the 44 million households who rent their homes in the U.S. are cost burdened, spending at least 30% of their income on housing.[1] And it is not just low-income families that are struggling, as nearly half (45%) of families making $45,000-$74,999 are spending at least a third of their income on rent, leaving dwindling funds to cover other essentials. It is frequently said that gasoline prices are the most visible price in the economy — a price that can make or break Presidencies — yet housing is the biggest line item in most households' monthly budget, the price that truly matters most for people's ability to make ends meet and live a decent, comfortable, and dignified life. And despite record amounts of new apartments being built and recently finished thanks to a pandemic-era apartment construction boom, rents remain at record highs with no rent relief in sight.

The Game Changer: National Rent Control

In response to these urgent needs, federal policymakers should work to advance national rent control and preempt states and localities from infringing on the rights of other jurisdictions to pass their own form of rent control. The ideal policy design would mandate that Congress pass a universal cap on annual rent increases at 3% or .75% of the local Consumer Price Index, whichever is lower.[2] Landlords would only be able to pass on a modest bonus increase if significant upgrades were undertaken and the policy would remain in effect regardless of changes to tenants — known as vacancy control. The policy would apply universally across the housing market for single family rentals, mobile home lot rents, small and multifamily properties alike.

1 Joint Center for Housing Studies at Harvard University, "The State of the Nation's Housing 2025" (Cambridge, MA: Harvard University, 2025).

2 Another option worthy of consideration is using CPI less shelter, as discussed below. While subtracting housing, which is largely accounting for rents and therefore leads to circular reasoning, from the calculation may result in a more genuine metric to utilize, it may also generate a degree of confusion within the policy and requires further explanation.

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To administer the program, including educational outreach and enforcement, Congress would establish regional rent control boards. These boards, which would include housing experts and tenants' rights personnel, would be charged with assessing wage and operating data, along with requests for bonus increases when improvements were undertaken, to help inform adjustments to the program and improve implementation.

If Executive Action is the only viable pathway, important steps towards national rent control can still be achieved and would be a game changer: the White House could establish rent control as a condition of any federal financing offered to the construction and acquisition of rental housing, including through the U.S. Department of Housing and Urban Development, the U.S. Treasury, and the Government Sponsored Enterprises.[3]

Rationale

A national rent control policy would immediately stabilize housing costs for over 100 million people, as well as create and preserve more affordable housing options moving forward. The primary outcome of rent control policies would be to enhance affordability of rental units by slowing the rate at which rents increase. A secondary, but critical, outcome of national rent control policies would be to promote housing and community stability by promoting existing tenants' ability to afford to stay in their communities, thereby curtailing gentrification. Third, national rent control would deliver immediate relief amidst a crippling affordability crisis, creating a popular program that works fast alongside essential supply-side interventions that take years to implement and bend the cost curve.

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3 For further explanation of this pathway, see Memorandum from U.S. Economists to Federal Housing Finance Agency: https://peoplesaction.org/wp-content/uploads/Economist-Sign-on-Letter_-FHFA-RFI-Response-1.pdf

*For more information on this topic, including the **Background Paper**, please visit our policy page.*

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