

RENT CONTROL DESTROYS OLDER HISTORICAL BUILDINGS

Many of the City's existing units are in historical buildings that were built during Los Angeles' Golden Age. Structures dating back to the early 1900s need more TLC than those built in later years. They definitely require higher expenses for upkeep. It is almost impossible for owners of these buildings to make ends meet while subject to rent control. Owners of older buildings need a break from the strict Rent Stabilization Ordinance (RSO)!

RENT CONTROL DRIVES OWNERS OUT OF BUSINESS

In many documented instances, owners of rent control buildings who have increases in overhead expenses such as soaring insurance costs find themselves "upside down" in their investments and are forced to sell. In most cases, these buildings are purchased by developers who would rather demolish the buildings and rebuild with condos resulting in a loss in the affordable housing stock. The allowable annual rent increase is rarely equal to the annual increase in cost for building maintenance and insurance coverage.

RENT CONTROL DISCOURAGES HOME OWNERSHIP

A student started in 1980 at UCLA and lived with three pals in a three bedroom / two bath rent-controlled apartment in an older west side section of L.A. They rented the unit for \$600 per month. As the years passed, he remained while his roommates moved. He went on to law school. After he became a practicing attorney he picked up the extra portion of the rent as each roommate vacated. Ultimately, 26 years later, he found himself alone, in a beautiful three bedroom / two bath apartment on the west side of L.A. paying only \$1750 per month - a pittance on his \$250,000 annual salary. A mortgage payment could be three times that amount on the west side. Why should he buy a house?