



REALTORS® ASSOCIATION  
OF MAUI, INC.

# RENT CONTROL

*Presented by: Leil Koch*





# LEIL KOCH

- **President and CEO of Equity One Real Estate.**
- **25-years as a commercial real estate veteran, involved in the real estate industry since 1981.**
- **Former President of the Realtors Association of Maui (RAM).**
- **2000 President of the Hawaii Association of Realtors.**
- **2012 Global President of CCIM Institute.**
- **2017 NAR Global Liaison.**
- **Certified Property Manager**

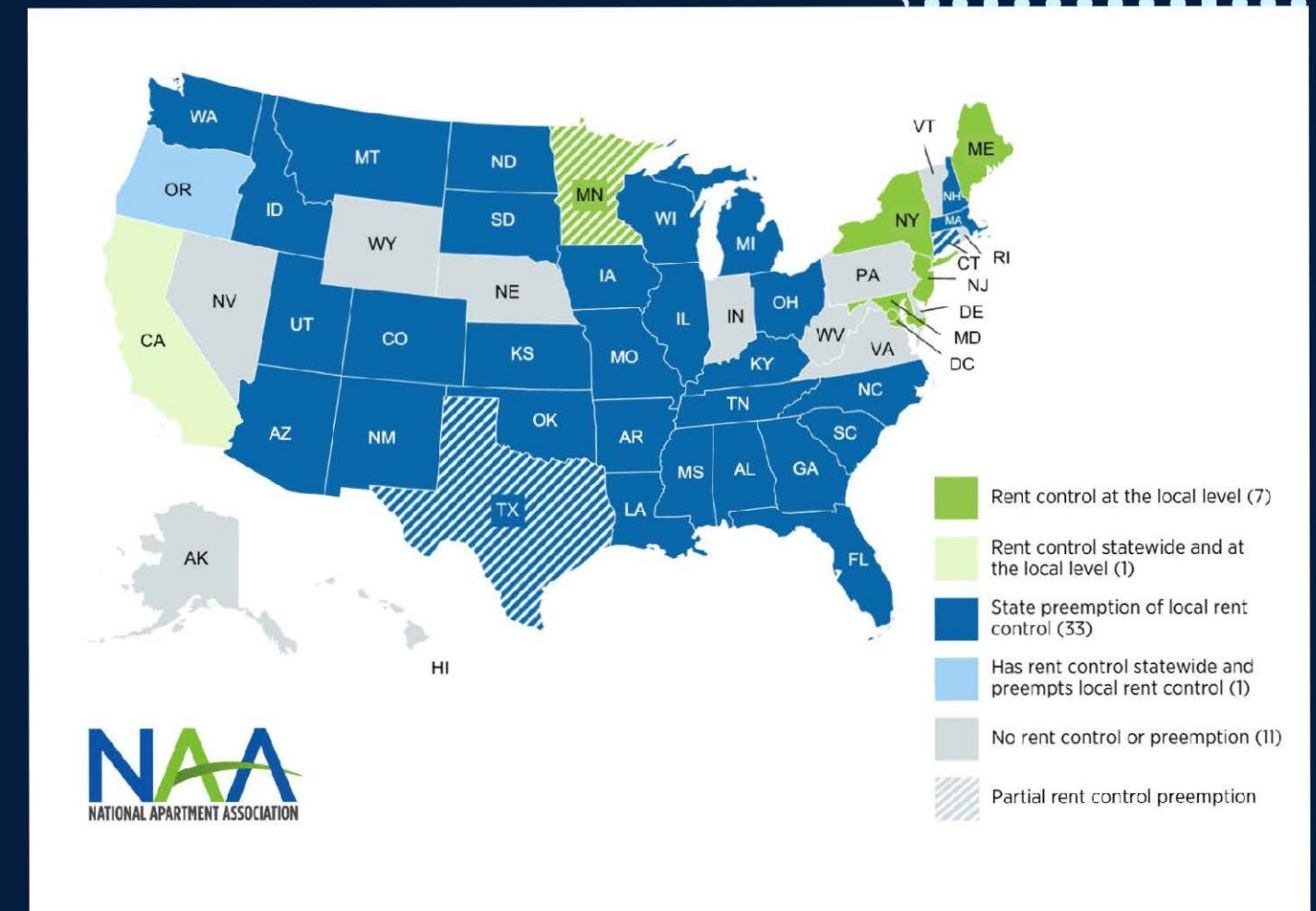
# RENT CONTROL CONCERNS

1. 33 States prohibit rent control because of its negative effect on the housing market - including:

- Washington
- Arizona
- Florida
- Massachusetts
- Minnesota<sup>1</sup>

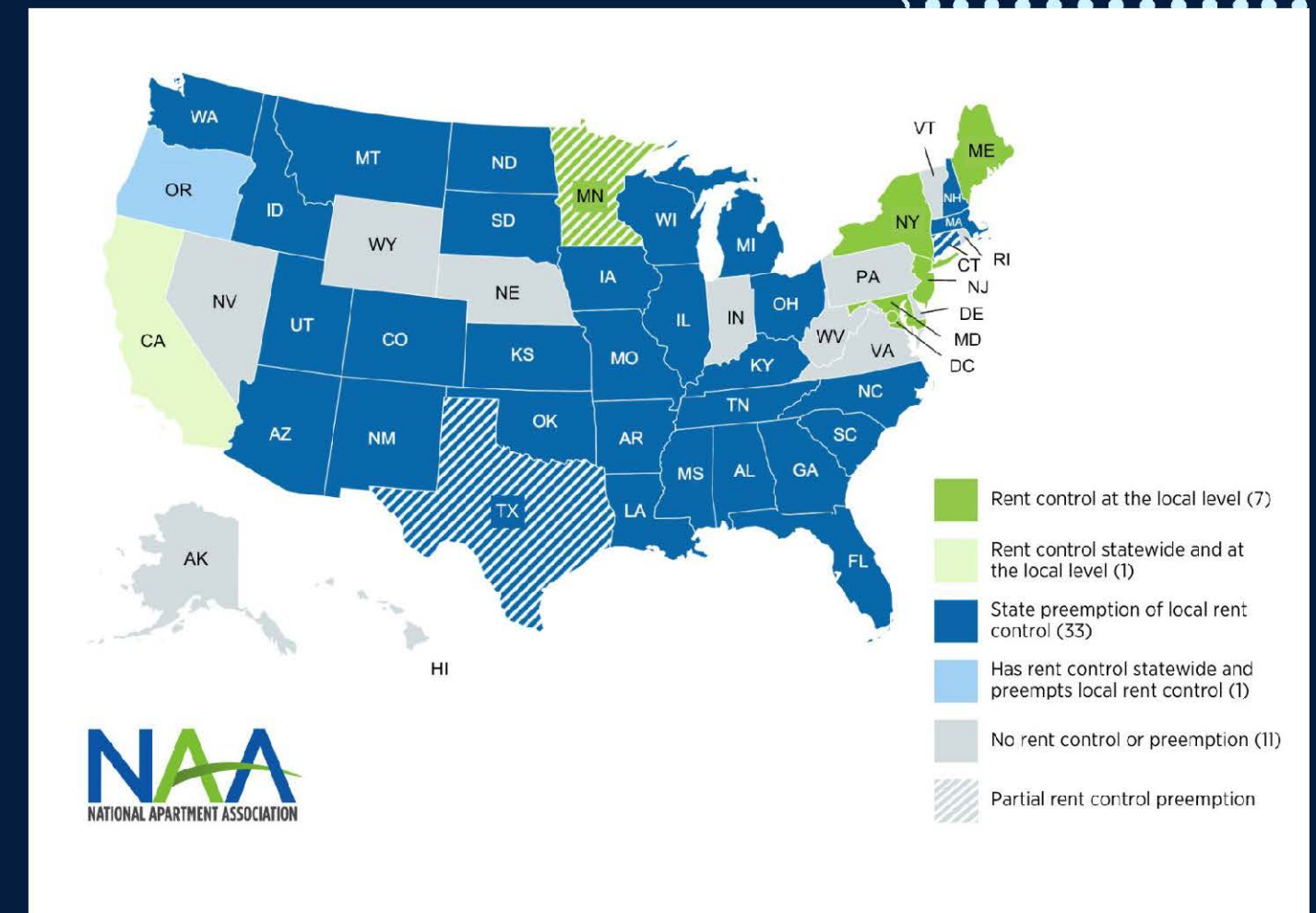
Citations:

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



# RENT CONTROL CONCERNS CONTINUED

2. Several studies of New York, Boston, Los Angeles, San Francisco, Santa Monica, Washington, D.C found rent control reduces available housing.<sup>2&3</sup>
- For example, the number of total rental units in Cambridge and Brookline, Massachusetts, fell by 8 percent and 12% after those cities imposed stringent rent controls, while the number of rental units in most nearby communities increased during the same period.
  - In Berkeley and Santa Monica, California, the total supply of rental units dropped 14 percent and 8 percent, respectively, between 1978 and 1990. Again, the rental supply rose in most nearby cities during the same time period.<sup>4</sup>



Citations:

2. <https://www.nmhc.org/globalassets/knowledge-library/rent-control-literature-review-final2.pdf>
3. [The Effects of Rent Control Expansion on Tenants, Landlords, and Inequality: Evidence from San Francisco \(aeaweb.org\)](#)
4. See also, [State-Local-Issues-Rent-Control-White-Paper.pdf \(realtorparty.realtor\)](#).

# RENT CONTROL CONCERNS CONTINUED

3. Reduces the quantity of affordable housing.
4. Tenants may also suffer with fewer options of rental type and location.
5. Rent control programs come with significant administrative costs.
6. Maintenance spending on rentals would decrease /values decline
7. Reduces real property tax revenues.



# Effects of Rent Control on the Maui Housing Market

1. In Maui there are two types of rentals: 1) Condos and; 2) Residential properties.
  - Once condo rents are “rent controlled” there are NO constraints on all other monthly cost incurred by the owner including:
    - Lease rents- if any Go Up
    - Homeowners Association Fees – Go Up
    - Insurance costs – Go Up
    - Adjustable-rate mortgage increases
2. Instead of losing money and being upside down in monthly costs, owners will pull property out of rentals.
3. Owners will also not spend funds to maintain the rent controlled property due to insufficient monthly funds.

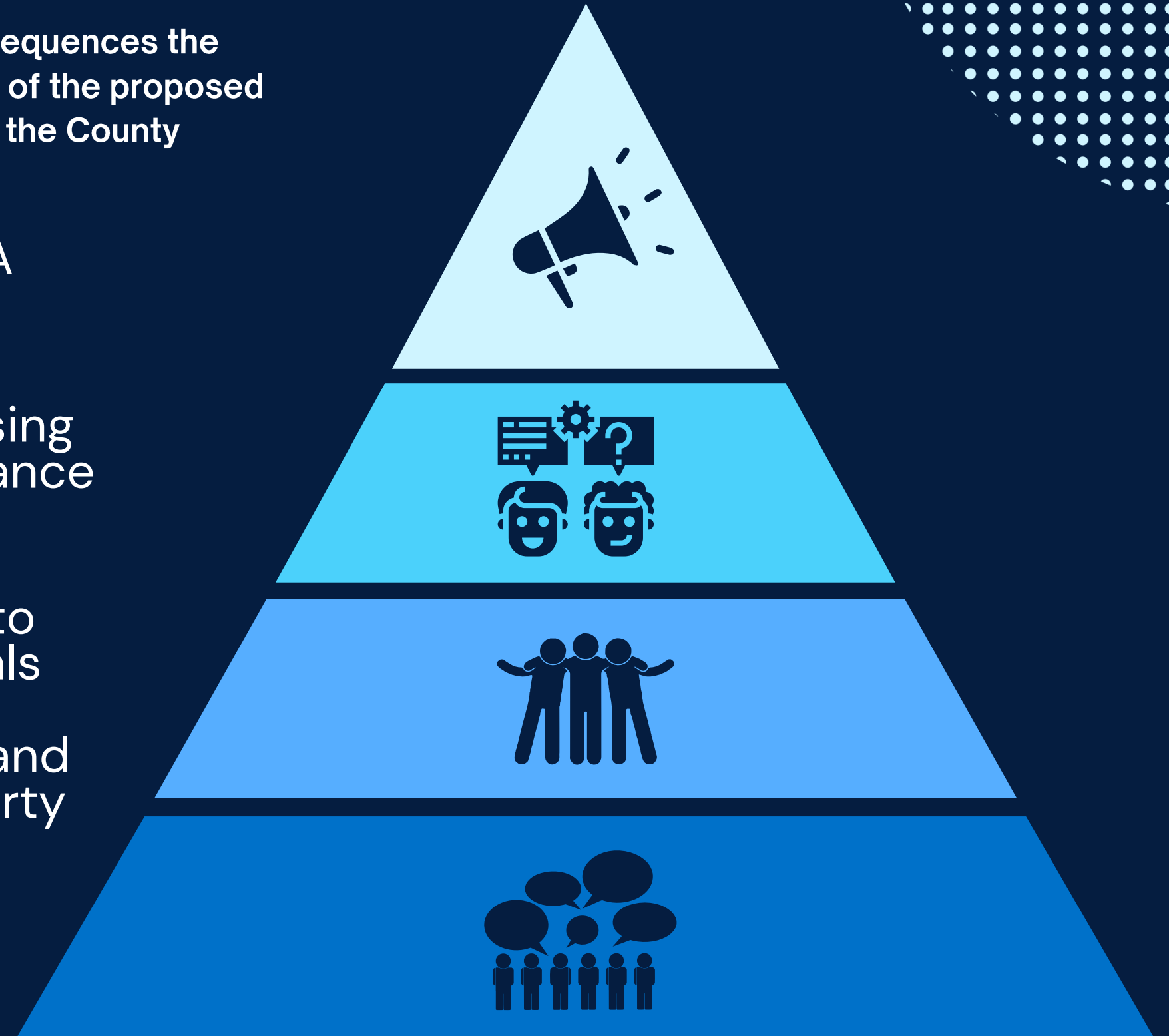
# What Would Actually Happen on Maui

4. Developers won't build much needed new housing units due to lack of return on investment.<sup>3</sup>
5. Ancillary jobs will be lost and companies will close.
6. It will result in lower property tax revenue for Maui County impacting funding for vital county services.
7. It creates a downward spiral that unfortunately an island can not recover from.
8. The mainland has lands outside the effected "Rent Controlled" area where it can try to correct and or counteract the rent control – we do not.

# PROPOSED ALTERNATIVES

In consideration of the potential negative unintended consequences the following are potential alternatives to accomplish the goal of the proposed measure without substantial impacts property owners and the County

1. Streamline county building and SMA permitting process to expedite.
2. Increase rental subsidies by increasing appropriations to the Rental Assistance Program.
3. Continue to expand tax incentives to landlords that offer long-term rentals including greater incentives for owners that provide rentals to low and very low-income tenants (i.e. Property Tax Credit).





# PROPOSED ALTERNATIVES CONTINUED

4. Provide fast track pre-approved plans for housing developments to expedite permit review process.
5. Conduct extensive Zoning Reform to:
  1. Permit all residential districts to build multiple units;
  2. Remove minimum lot sizes;
  3. Reduce setback and parking requirements;
  4. Increase height and density limits.
6. Encourage the County to purchase existing units, buildings, and vacant offices to create immediate availability of rentals which will offset the private market.





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**Mahalo For  
Listening**

## HLU Committee

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**From:** Evan K. Oue <eoue@imanaka-asato.com>  
**Sent:** Monday, September 16, 2024 9:08 AM  
**To:** HLU Committee  
**Cc:** Kim W. Yoshimoto; Leil Koch; Mei Wright  
**Subject:** Realtors Association of Maui Presentation on Rent Control  
**Attachments:** RAM Rent Control Presentation 9-14-24.pdf; RAM Rent Control Presentation 9-14-24.pptx

You don't often get email from eoue@imanaka-asato.com. [Learn why this is important](#)

Aloha,

Please find the following attached for the HLUC hearing tonight at 5:30PM:

1. Realtors Association of Maui Presentation on Rent Control (powerpoint)
2. Realtors Association of Maui Presentation on Rent Control (Printable PDF).

To confirm Leil Koch from RAM will be providing the presentation this evening. Please let me know if you need anything.

Mahalo,  
**Evan K. Oue**



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