



**NEW MEXICO**  
**BUSINESS COALITION**

P.O. Box 95735  
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(505) 235-6323

RE: Oppose **SB 216 Rent Control and Certain Entities**

Mr./Madame Chair and Committee Members:

The New Mexico Business Coalition (NMBC) represents hundreds of businesses and thousands of New Mexicans. We focus on making New Mexico a better place to live and work, with abundant good-paying jobs to provide for our families.

NMBC opposes SB 216 Rent Control and Certain Entities, which would eliminate current law that prevents political subdivisions and home rule municipalities from imposing rent control mandates. There are pages of examples of how rent control policies have failed in other states. Here are a few key points:

**Decreased Housing Supply/New Construction Deterrence:** By limiting potential returns, developers are less inclined to build new rental properties, reducing the overall housing supply. San Francisco has experienced a 15% reduction in rental housing due to stringent rent control. Additionally, government-controlled rent can lead to landlords converting apartments to condominiums or other non-rental uses, further diminishing rental availability. This was notably seen in New York City.

**Quality Decline/Maintenance Neglect:** When inflationary expenses overtake government-controlled revenue, landlords may be forced to cut back on maintenance, leading to a decline in housing quality. Boston studies show rent-controlled buildings are less well-maintained than those not facing rent control.

**Black Market and Illegal Renting:** A black market can emerge where tenants pay extra to secure rent-controlled units, defeating the purpose of affordability.

These points underscore the complexity of rent control and its potential to backfire, not only for landlords but also for renters and the broader housing market. We urge you to consider non-restrictive alternatives to address affordable housing, such as streamlining the approval processes for housing development.

For the above reasons, NMBC opposes SB 216 and urges you to reject its passage.

Thank you for considering my comments,

A handwritten signature in blue ink, appearing to read "Carla J. Sonntag".

**Carla J. Sonntag**  
President and CEO