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Rent Control Won't Solve Maine's Affordable Housing Crisis

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On June 13, Portland voters [rejected](#) a change to the city's rent control ordinance. The now-rejected [change](#) would have removed a cap on the amount landlords may increase rent after a unit is voluntarily vacated by a tenant. As rent control [continues to expand nationwide](#), I'm afraid more municipalities in Maine will follow Portland's lead in implementing and maintaining rent control. From an economic standpoint, this decision would be a mistake.

Rent control is a legally established maximum price applied to the market for apartment rentals. In economics, we refer to this legally established maximum price as a price ceiling. A price ceiling is considered binding when it is set below the market price. In economic theory, a binding price ceiling is bad because it prevents supply and demand from reaching equilibrium, which leads to a shortage in the market.