

SUFFOLK COUNTY IMPACT

Impact of Rent Control on Suffolk County

Our study includes a detailed breakdown of the numbers for each municipality. We've compiled the impact to Suffolk County below.

| Community | Loss of Property Value by 2036 | Residential Tax Rate increase required to compensate for erosion of tax base |
|-----------|--------------------------------|--|
| Boston* | 24.02% | 31.62% |
| Chelsea | 26.94% | 36.87% |
| Revere | 15.47% | 18.30% |
| Winthrop | 17.68% | 21.48% |

The Biggest Impact

At 26.94 percent, Chelsea has the largest expected loss of property value in the state.

To view more detailed data, visit MAHousingSolutions.com

Cities and towns are facing a significant untold threat to their bottom lines and the vital public services they provide if the proposed rent control ballot question is approved by voters this fall.

To understand the full extent of this fiscal tsunami, the Greater Boston Real Estate Board partnered with the Center for State Policy Analysis at Tufts on a comprehensive model that maps the state and local impact of rent control.

Our Key Findings

1

The 2026 rent control ballot question would upend the real estate market, shrinking the residential property tax base by 6-9 percent in municipalities all across the Commonwealth.

2

Losses would mount over time. After a decade, property values would decrease by nearly 14 percent – costing home- and property-owners roughly \$300 billion.

3

Faced with fast-eroding tax bases, cities and towns will have to choose between deep cuts to services or tax hikes of at least 10 percent to compensate for the losses.

4

Every city and town would face substantial property tax losses, but the hit to urban areas and college towns would be especially acute, with projected declines of 15-20 percent.

5

In Boston, proposed rent control rules would exacerbate existing fiscal challenges due to slowing residential tax collections and the ongoing commercial tax shortfall.

6

The effects of rent control would be permanent, amounting to a sustained loss of investment for homeowners and a durably shrunken tax base for cities and towns.

To read a full exploration of these impacts, including background on the ballot question, a summary of short and long-term impacts, and case studies of the most severely affected towns and regions, please access the full report on MAHousingSolutions.com.

UNTOLD THREAT: RENT CONTROL BALLOT QUESTION WILL IMPERIL MUNICIPAL BUDGETS

SUFFOLK COUNTY IMPACT



Boston's Double Challenge

Boston stands out from the rest of the state, not just because it is our largest and most dynamic city, but because it is already in the throes of a fiscal challenge set off by the collapsing value of downtown office buildings.

Due to the rise of remote work, office buildings aren't as desirable or profitable as they once were. And their falling value has upended the city's tax system, cutting commercial collections by hundreds of millions of dollars.

To date, the city has chosen to fill this fiscal hole by raising residential tax rates, from 1.09 percent in 2024 to 1.24 percent in 2026.

Introducing rent control would exacerbate this already-serious challenge. In Boston, the average property owner can expect a reduction of around 9 percent over 3 years in their investment. This will result in a \$160 million residential tax shortfall in 2029.

Filling this residential shortfall while continuing to deal with the drop in office values and heeding state rules for allowable tax rates would require a 13 percent rate increase for residents and an 8 percent rate increase on businesses.

Over just a few years, hikes of that magnitude could push more homeowners and businesses out of Boston, creating a dangerous mix of high vacancy rates and declining economic activity.

The section above is an excerpt from *Untold Threat: Rent Control Ballot Question Will Imperil Municipal Budgets*. Read the full report by visiting MAHousingSolutions.com.