

Rent Controls not the cause of vacancies: report

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Rent controls should not be blamed for Manitoba's minuscule vacancy rate or the dilapidated condition of some apartment buildings, according to a report to be released today.

The 39-page study, authored by University of Winnipeg economics professor Hugh Grant, also concludes "there is no evidence" that caps on rent have slowed the pace of new apartment construction or spurred a recent spike in condo conversions.

Furthermore, the provincial government-commissioned report says there is no proof rent regulations have "unduly restricted" rent rises in Manitoba. That's because the rules allow landlords to pass on their increased costs to tenants.

Family Services and Consumer Affairs Minister Gord Mackintosh said the report vindicates the government's approach to protecting renters.

However, an organization that represents Manitoba landlords dismissed the findings Monday as "incorrect."

Wally Ruban, president of the Professional Property Managers Association, said the vacancy numbers don't lie. "In a healthy rental market, there is tons of competition. Vacancy would be in the three-plus (per cent) range," he said, not less than one per cent as is the case in Winnipeg. He blamed two decades of rent controls for the current predicament.

Mackintosh said the government commissioned the study to find out whether, in fact, rent controls are to blame for the ultra-low vacancy rate. He said it is now convinced they are not.

In his report, Grant contends the rental shortage is largely due to a rapid increase in demand sparked by an aggressive immigration policy, specifically the Provincial Nominee Program. Rental construction has been slow to catch up, a situation that is not unusual in the housing market, he said.

For a link to the full report, [click here](#).

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