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HOUSING SHORTAGE
BLAMED ON TENANTS

"Briefly"

IRVINGTON-ON-HUDSON, NEW YORK, Jan. 5 -- Hoarding by tenants has caused the present acute housing shortage, and not any action by property owners, says Dr. V. Orval Watts, economist of the staff of The Foundation for Economic Education, in a study to be released this week under the title "So You Believe in Rent Control?"

Dr. Watts cites 1946 census bureau figures to show that the nation has more housing space, and more housing space per person, than we had in 1940, but that it is not being utilized as efficiently. He puts the blame for the drop in housing efficiency squarely on OPA rent controls.

"If you go looking for the 'hoarders' of housing," Dr. Watts explains, "you will find that it is not the landlords who are guilty of this supposedly wicked act, but the tenants. How do I know? By the same census report that tells about the number of houses in the United States.

"It shows that the number of houses and apartments occupied by one person rose 30 per cent in five years. The number housing only two persons rose 22 per cent. Meanwhile, the number of dwellings occupied by six or more persons dropped 22 per cent. The average person or household now has more space and is less crowded than before the war.

"Then, why the housing shortage? There is only one possible reason.

Tenants Have Spread Out

"The average American has twice as much money to spend as he had in 1940. OPA has allowed rents to go up only 4 per cent. Housing is cheap, in proportion to incomes, for those who can get places to rent at the legal ceiling rents.

(more)

"Tenants therefore have been moving to better places, with more room, every chance they got. They have been spreading out, especially during the war. The number of rooms per person has increased from 1.45 to 1.58, an increase of 9 per cent. That is what makes it so hard for returned veterans and others to find places to rent."

It would take three or four years, at present building rates, to provide as many housing units as could be made vacant immediately if only one-eighth of the households now containing two persons or less would each take in a single person now occupying a family unit by himself, Dr. Watts points out. That is precisely what would happen, he predicts, if rents were allowed to rise to a figure that tenants are perfectly willing to pay if only they have a chance to bid for the places they want.

Likens Controls to Stealing

Under rent controls a tenant can hold on to a house which belongs to someone else, Dr. Watts continues, and the fact that the government approves of it still does not make it right.

"If Mr. Jones borrowed a lawnmower and refused to give it back or pay for it, we would say that he was keeping something that did not belong to him," Dr. Watts says. "Is it any different if the object is a house instead of a lawnmower? To take and hold another man's property against his will -- what is that if it isn't stealing?"

The chief sufferers from the lack of confidence that investors now have in the rental property business are not the investors, Dr. Watts continues, but the young people and those who cannot afford to buy homes -- the very ones that advocates of rent control believe it "protects." The investors simply keep their money or put it into something else, and are little the worse off.

"Unless the people of the United States -- farmers, wage earners, housewives, ministers, and almost everybody -- realize the evil of rent control, wise investors will not soon again put much money into apartment buildings and dwellings for rent," he concludes. "Rent control caused the housing shortage. It will continue as long as rents are held below people's ability and willingness to pay rent."