

The Good Case for “Good Cause”

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reduce the rate of housing
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Kenton Card, Evan Davis, Edward Goetz
Center for Urban and Regional Affairs, University of Minnesota

Jeremy Schwartz
Sellinger School of Business and Management, Loyola University Maryland



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ABSTRACT

Do Good Cause eviction protections reduce the rate of housing production? Our preliminary analysis suggests not; housing production in California, Oregon, and New Hampshire did not decline after passage of Good or Just Cause relative to nearby states without the legislation. Across the USA, state legislatures are considering legislation that requires landlords to document “Good Cause” when evicting renters. Stakeholders make contrasting claims about the potential impact of the policy. In support, tenant advocates argue that it helps families stay in their homes amidst a housing affordability and homelessness crisis. In opposition, landlord lobbyists suggest that Good Cause will disincentivize developers from building new multifamily rental housing and lead to a decline in housing supply, and, thus, exacerbate the housing crisis. We set out to investigate the existing empirical research, and, subsequently, identified a gap across the fields of housing economics and policy studies on the impact of Good Cause on housing markets. We gathered data from three states – California, Oregon, and New Hampshire – where “Good” or “Just Cause” laws passed over the last decade. We conducted a difference-in-difference analysis on whether the trend in new permits at the county-level in states subject to the passage of Good Cause were different from the trends in nearby counties in states not subject to the law. The model controlled for other factors: county-level GDP, population, unemployment and per capita income. We found that permits did not decline in California, Oregon, or New Hampshire counties relative to the changes occurring in surrounding states, *ceteris paribus*. Building on existing research that suggests that Good Cause will keep families in their homes because it results in lower rates of evictions and displacement, our findings suggest that passing Good Cause eviction protections will not result in reduced rates of new housing production or, subsequently, housing supply.

STATE LEGISLATORS CONSIDER LAWS THAT REQUIRE “JUST CAUSE” TO EVICT TENANTS

Across the United States, state legislatures are increasingly considering and passing legislation that requires landlords to document “Good” or “Just Cause” when evicting renters. This typically means tenants have the right to renew their leases, wherein leases roll over into month-to-month contracts following the initial lease period, and landlords can only evict tenants by documenting a legitimate infraction, such as non-payment, lease violation, nuisance, or illegal activity. Affordable housing advocates, for example the National Low Income Housing Coalition, argue that Just Cause can help create housing stability for families (Vasquez and Gallagher 2022). We estimate that at least 8 states and 24 localities have such laws, with Colorado and New York having passed their good cause laws within the last year.¹ Finally, a recent poll found that tenant protections are extremely popular among the public, with 78% of survey respondents in New York supporting the adoption of Good Cause Eviction Protections, see Figure 1 (Stein, Mironova, and Thompson 2025).

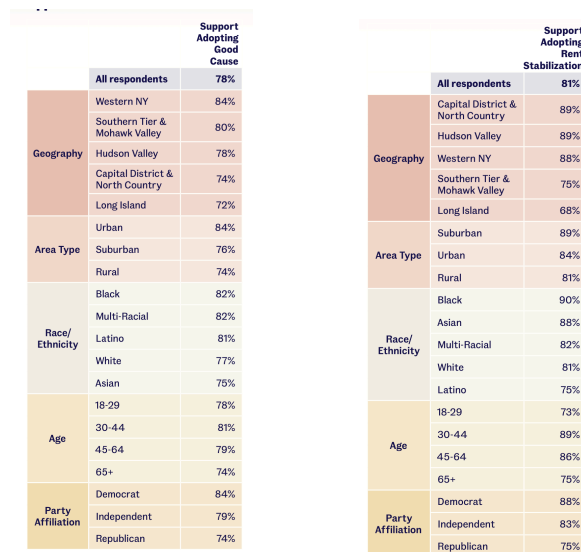


Figure 1: Survey Results on Popularity of Tenant Protections in New York City (Stein, Mironova, and Thompson 2025)

¹ We tabulate from National Low Income Housing Coalition’s “Tenant Protections Database,” accessed 3/3/25 <https://nlihc.org/tenant-protections>, and in discussion with Matt Hill at Public Justice Center.

Policymakers in Maryland, Connecticut, Minnesota, Hawaii and Rhode Island are considering legislation that requires landlords to list a Good Cause to carry out an eviction. In Maryland, legislators are considering HB 709/SB 651: the Landlord and Tenant Residential Leases and Holdover Tenancies: Local Good Cause Termination (Good Cause Eviction), which would overturn a preemption against Good Cause in the state; thereby enabling localities to implement Good Cause.² In Connecticut (Bill No. 6889), Minnesota (HF 4440), and Hawaii (HI SB 155) legislators are advancing statewide Good Cause eviction protections.³ In Rhode Island, a Special Commission to Study Landlord and Tenant Law has been created, and Good Cause is one of the pieces of legislation under consideration.⁴

Good or Just Cause eviction protections have gained mainstream status in the past years among Democratic Party leadership, after being passed in New York, California, and even being part of the Biden White House Blueprint for a Renters Bill of Rights. “To prevent evictions,” states the White House report, “renters should have access to just- or good-cause eviction protections that require a justified cause to evict a tenant” (Domestic Policy Council and National Economic Council 2023). Other elected officials point to its growing resonance.

I asked the Legislature to send me a **strong renter protection** package. Today, they sent me the strongest package in America. These **anti-gouging** and **eviction protections** will help families afford to keep a roof over their heads, and they will provide California with important new tools to combat our state’s broader housing and affordability crisis.

² Residents United Maryland’s policy priorities, accessed on 3/3/25 <https://rentersunitedmaryland.org/2025-legislative-priorities/> and House Bill 709 (Senate Bill 651) found at mgaleg, accessed on 3/3/25 <https://mgaleg.maryland.gov/mgawebsite/Legislation/Details/hb0709?ys=2025RS>.

³ In Connecticut Bill number 6889 on legiscan, accessed 3/3/25 <https://legiscan.com/CT/bill/HB06889/2025>, in Minnesota on revisor, 3/3/25 <https://www.revisor.mn.gov/bills/bill.php?f=HF4440&y=2024&ssn=0&b=house#actions>, and in Hawaii on legiscan, accessed on 3/4/25 <https://legiscan.com/HI/bill/SB155/2025>.

⁴ See details at rilegislature accessed on 3/3/25 https://www.rilegislature.gov/pressrelease/_layouts/RIL_PressRelease.ListStructure/Forms/DisplayForm.aspx?List=c8baae31%2D3c10%2D431c%2D8dcd%2D9dbbe21ce3e9&ID=374848&Web=2bab1515%2D0dcc%2D4176%2Da2f8%2D8d4beebdf488.

—California Governor Gavin Newsom, on AB 1482

There's very strong political will for [Good Cause Eviction Protections], very strong support for it ... Albany, Newburgh, Kingston, ... all of these localities outside of New York City that are facing the same problems with **rent, price gouging** of tenants and **tenants having virtually no protections** at all, from an eviction without "good cause."

—New York State Senator Julia Salazar on "Good Cause" in New York Budget

THE STATE OF RESEARCH ON GOOD CAUSE

The state of research on Just or Good Cause eviction protections is limited (Chapple et al. 2022). One empirical study by Cuellar (2019) examined the impact of just cause on eviction rates. The paper observed the law passing in four California cities – Oakland, Glendale, San Diego, and East Palo Alto – with nearby cities serving as control groups. Cuellar found “just cause eviction ordinances have a statistically significant negative effect on eviction and eviction filing rates,” see Figure 2 (2019). Other research has suggested that just cause protections reduce out-migration, thus directly and immediately mitigating displacement (Hwang et al. 2022; Chapple et al. 2022).



Figure 2: Rate of Evictions before & after Good Cause Law Passed in California Cities (Cuellar 2019)

Researchers have speculated as to the impact of Good Cause on housing markets. Two recent examples: the NYU Furman Center warned of “the potential [Good Cause] has to *negatively*

affect housing development” (emphasis added, Been et al. 2024), and research funded by the National Apartment Association and the National Multifamily Housing Council concluded that “[r]esident protections, though essential, impose significant costs on property operators, *potentially reducing housing supply*” (emphasis added, Shoag and Romem 2025). However, neither of those studies directly and empirically tested whether there was a causal relationship between the factors, rather relying on conjecture.

RESEARCH MOTIVATION AND QUESTION

A housing affordability crisis is widely accepted across the political spectrum. However, the strategies for how to address it diverge considerably. And Good Cause eviction protections add additional government regulations to the tenant-landlord relationship. Tenant advocates see Good Cause as an effective way to stabilize families from arbitrary eviction. Landlord advocates argue that it violates the property rights of landlords and will have broader negative impacts on the housing market. For example, the National Apartment Association, a prominent pro-landlord lobbying group, wrote that Good Cause would “will lead to less housing as ... *new construction grinds to a halt* – exacerbating the nation’s housing affordability crisis,” in arguing against New York’s Good Cause Eviction Law (S.3082) (emphasis added, 2022).

This report aims to address the following research question: ***Do Good Cause eviction protections reduce the rate of housing production?***

RESEARCH DESIGN

In order to assess the effects of Good Cause eviction laws on housing construction, we employ a “difference-in-differences” statistical model (Roth et al. 2023). This approach tests whether the trends in permitting among counties subject to the passage of the legislation were different from the trends in nearby counties not subject to the legislation, after controlling for other factors including county-level GDP, population, unemployment and per capita income. Data were sourced as follows: county-level GDP come from the Bureau of Economic Analysis (BEA) and county-level population, unemployment, and per capita income come from the Bureau of Labor Statistics. We operationalize housing construction as the average permitted residential units per 100,000 people (permits per capita). Permit data come from the U.S. Department of Housing and Urban Development’s State of the Cities Data Systems (SOCDS) Building Permits Database.⁵ We chose to use the passage date for Good Cause legislation as the intervention point, rather than the effective date, since developers are likely to make decisions regarding adding housing supply based on tenant protections that will be in place during the life of new dwelling units.

In 2018, California and Oregon passed statewide Good Cause eviction legislation, AB 1482 and SB 608 respectively.⁶ We combined the counties in these two states since they share borders and the same enactment year. We compare the permits per capita in California and Oregon counties with a control group: counties in the surrounding states of Washington, Nevada, Idaho and Arizona, which did not adopt Good Cause legislation. We also consider New Hampshire, which adopted statewide Good Cause eviction legislation in 2015. We compare the permits per capita in New Hampshire counties with another neighboring control group: counties in the surrounding states of Maine, Massachusetts, and Vermont, which did not adopt Good Cause legislation.

⁵ Website of State of the Cities Data Systems: Building Permits Database, accessed on 3/3/25: <https://socds.huduser.gov/permits/terms-popup>.

⁶ In California, state officials passed AB 1482, Tenant Protection Act of 2019: tenancy: rent caps, which can be found at leginfo: accessed on 3/3/25, https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB1482 and Oregon passed SB 608 Relating to residential tenancies which can be found at olis: accessed on 3/3/25 <https://olis.oregonlegislature.gov/liz/2019R1/Downloads/MeasureDocument/SB608/Enrolled>.

FINDINGS

Our model finds no evidence that passage of Good Cause Eviction legislation resulted in a statistically significant decrease in permitting. These trends held true in both models that we tested: in California and Oregon, as well as in New Hampshire.

California and Oregon

Figure 3 presents the average permits per 100,000 people (permits per capita) in California and Oregon counties, alongside the control group's average permits among counties in the surrounding states of Washington, Nevada, Idaho and Arizona. The upward trend of permits is visible in California and Oregon and those in the control group, which are present before the passage of Good Cause continue after its passage in 2019. We find that permits did not decline in California and Oregon counties relative to the changes occurring in surrounding states, *ceteris paribus*. In fact, the data show an increase in permits by 41 per 100,000 residents after the legislation passed relative to the comparison counties, though this result was not statistically significant.

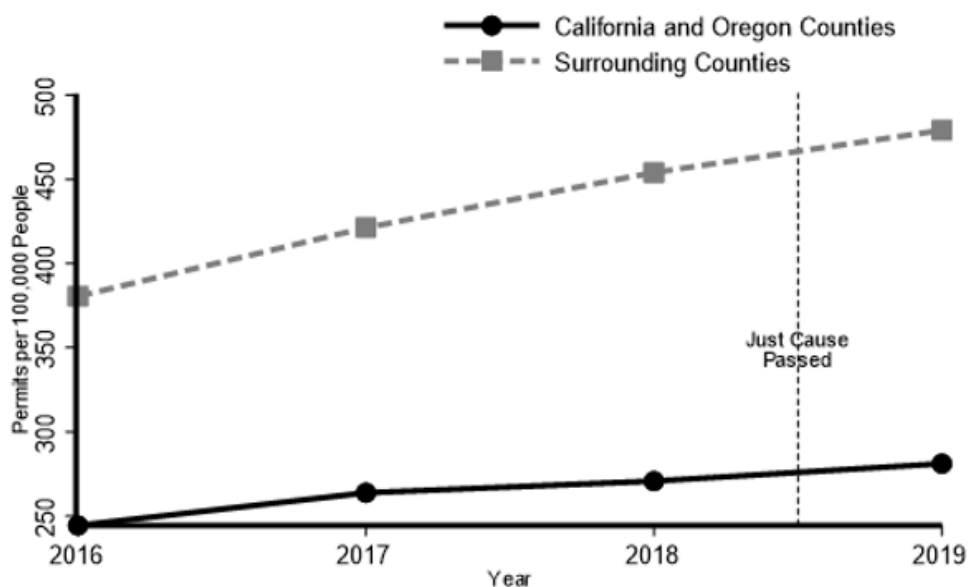


Figure 3: Rate of Construction before & after Good Cause Law Passed in California and Oregon

New Hampshire

Figure 4 plots average permits per 100,000 people for New Hampshire counties and counties in the control group: surrounding states of Maine, Massachusetts and Vermont. Prior to the passage of Good Cause, permits were increasing in the counties of New Hampshire and surrounding states. In 2015, permits fell in both New Hampshire and its surrounding states. The difference-in-differences model indicates that the rate of change in New Hampshire was not statistically different from the change in surrounding states, *ceteris paribus*. Like the California and Oregon findings, this again provides no evidence that Good or Just Cause legislation leads to lower rates of development where it is enacted, when controlling for other factors.

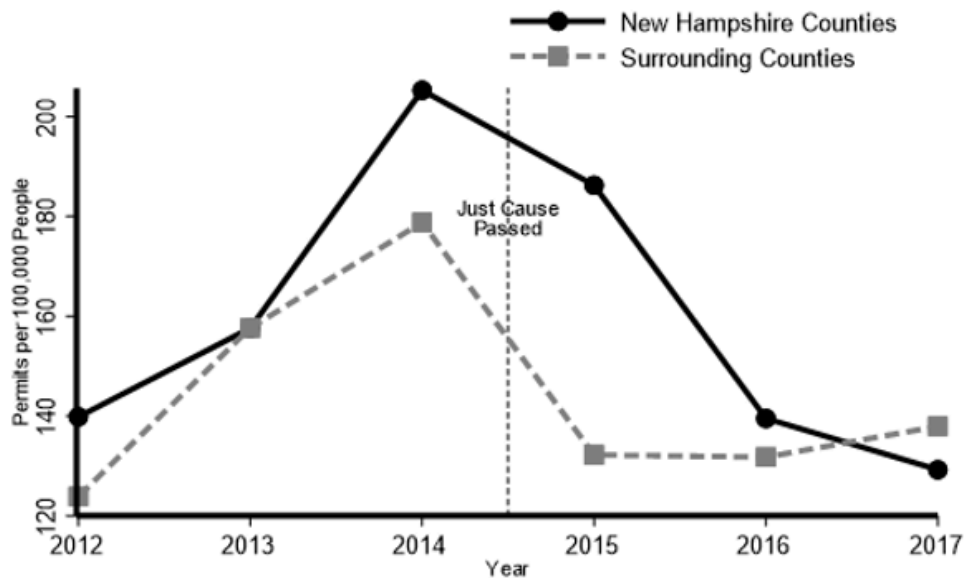


Figure 4: Rate of Construction before & after Good Cause Law Passed in New Hampshire

CONCLUSION

To our knowledge, our report is the first empirical analysis of the impact of Good or Just Cause eviction protections on the rate of housing construction. We utilized a common econometric method referred to as difference-in-differences and found no evidence of a decline in new construction when Good Cause was adopted in California, Oregon, and New Hampshire relative to nearby states not subject to Good Cause regulations. Our findings indicate that tenant protections can have their desired effects of keeping families housed and not negatively impact the housing market.

Our findings are not unique, but similar to other findings recently published in the journal *Regional Science and Urban Economics* on how the introduction of rent stabilization leads to the desired effect of lower rent prices (between 4-6%) and *does not reduce the supply of housing units* (Jofre-Monseny, Martínez-Mazza, and Segú 2023). Researchers at Turner Center for Housing Innovation at UC Berkeley have argued following the passage of Rent Stabilization and Good Cause for the need for greater data transparency about the housing market and education of the public about tenant-landlord law (Casey et al. 2022).

As more evidence grows to suggest that tenant protections like Good Cause and rent stabilization do not hamper new construction or housing supply, other avenues for future research should be explored to understand the continued rise in rents. For example, new research from the Wharton School at the University of Pennsylvania suggests that the emergence of corporate landlords and the application of artificial intelligence to rent setting, what is referred to as “algorithmic pricing” in the rental market, has led to increased rent prices and lower occupancy rates (Calder-Wang and Kim 2024). We encourage scholars to examine the impact of these new actors and technologies on the rental housing market.

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