

## THE INTERNATIONAL PROBLEM OF SKYROCKETING RENT: WHY INCREASED RENT CAN HURT THE ECONOMY

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### ABSTRACT

Skyrocketing rent has become an International problem, London has the fifth most expensive high-end rental property in the world and comes second in Europe after Moscow according to ECA International, the world's leading provider of knowledge, information and technology for the management and assignment of employees around the world, rents for an unfurnished, three-bed apartment in a sought after area of the UK's capital now average around GBP 5000 per month. Singapore remains the third most expensive city in Asia to rent a high-end three-bedroom apartment. Hong Kong remains the most expensive location in the world, rents for an unfurnished three-bedroom apartment in a sought-after area of Hong Kong averages at GBP 7,350 per month, while the average two-bedroom apartment in Tokyo costs \$4,352 per month. Rents for an unfurnished three-bedroom apartment in a sought-after area in New York City averages at \$ 9,200 per month. Shanghai is the 9th globally, Dubai is 16<sup>th</sup> globally, Sydney has slipped from 12th to 20th place due to weakened Australian dollar, and a three bedroom apartment with a sea-view in Kuwait can cost between K.D. 1,300 to 1,500 per month. This paper attempts to shed some light on why rents are so high, whether or not rent control can help, and why high rents can hurt the economy.

**Keywords:** Rent, housing, immigration, economy, supply, demand, elasticity, landlords, buy-to-rent, investment, rent control.

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