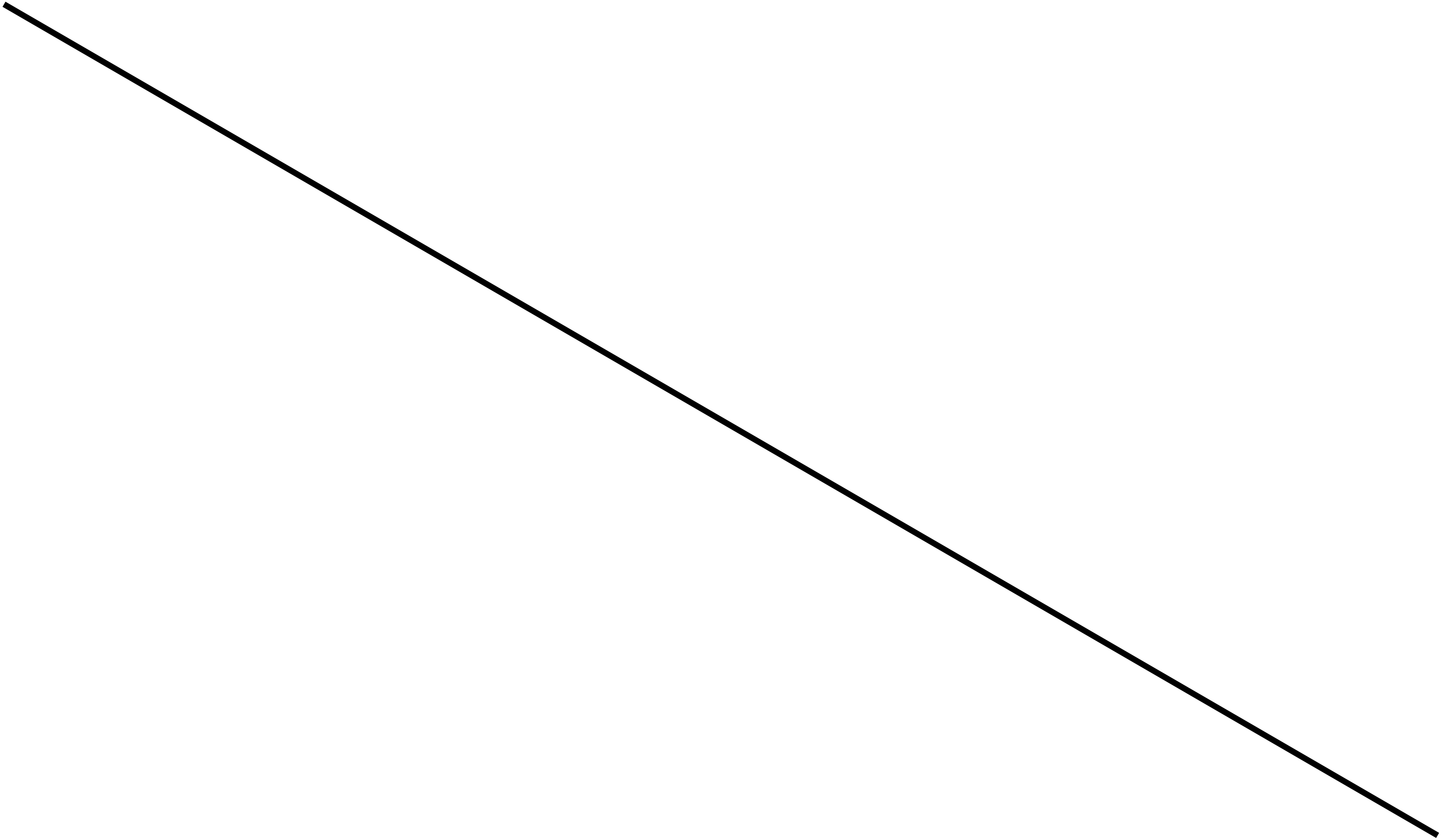




Consider the Rental Market

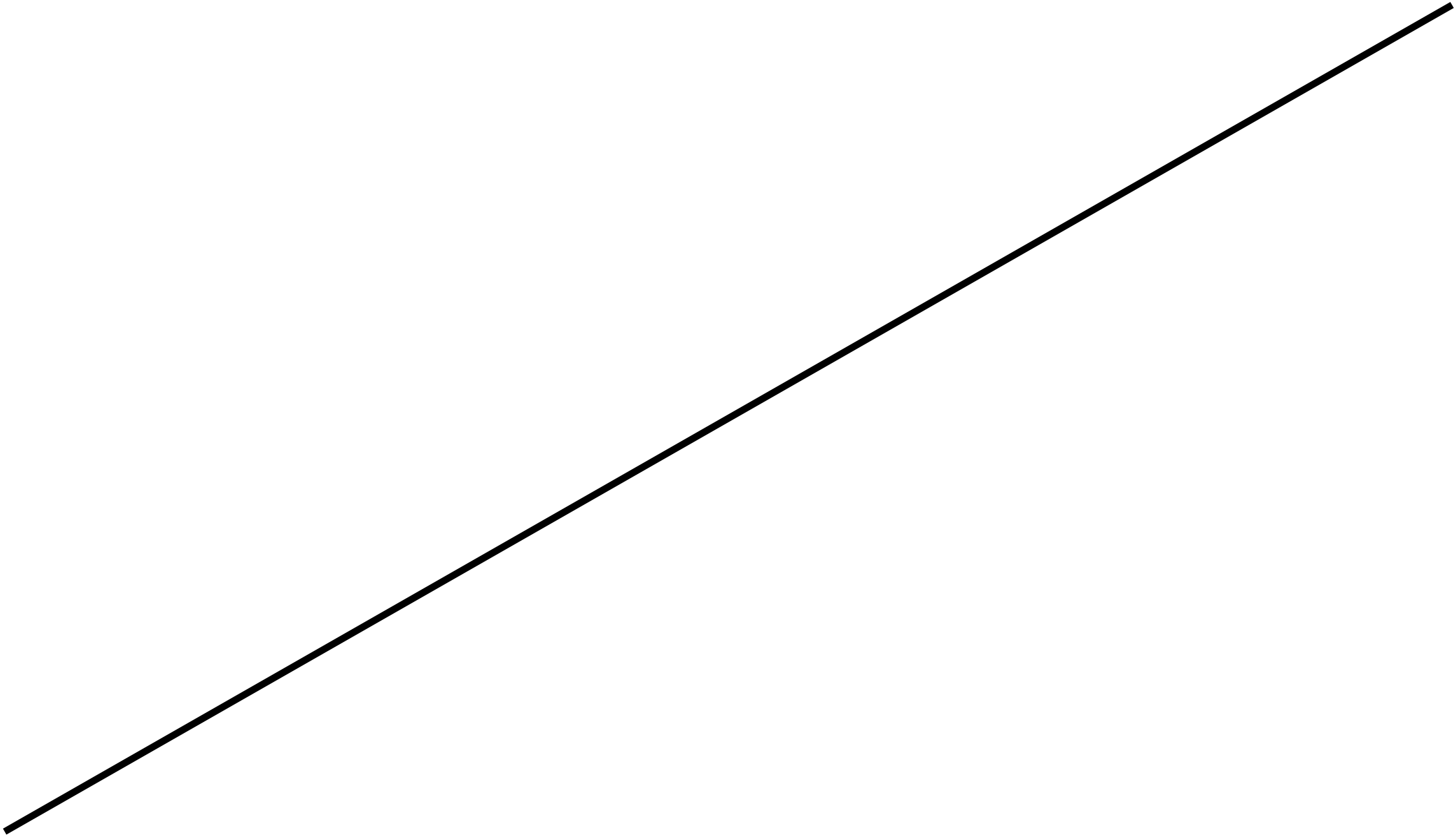




**D**

S

2,200









$$Q^d = 9000$$



$$Q^s = 300$$





$$Q_e = 600$$



$P_e = 3,900$

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]


[REDACTED]

Rent Control:  
Landlords  
can't charge  
more than  
\$2,200

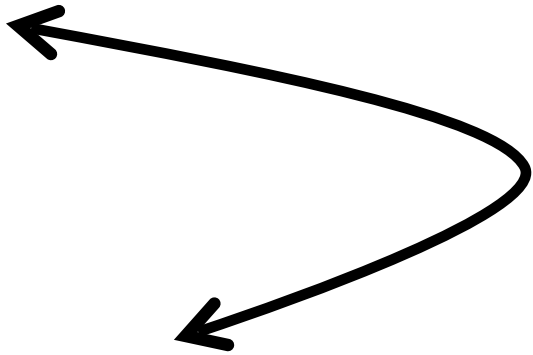


# Price Ceiling

All these prices are  
now prohibited



Prevents price  
from reaching  
equilibrium









Shortage



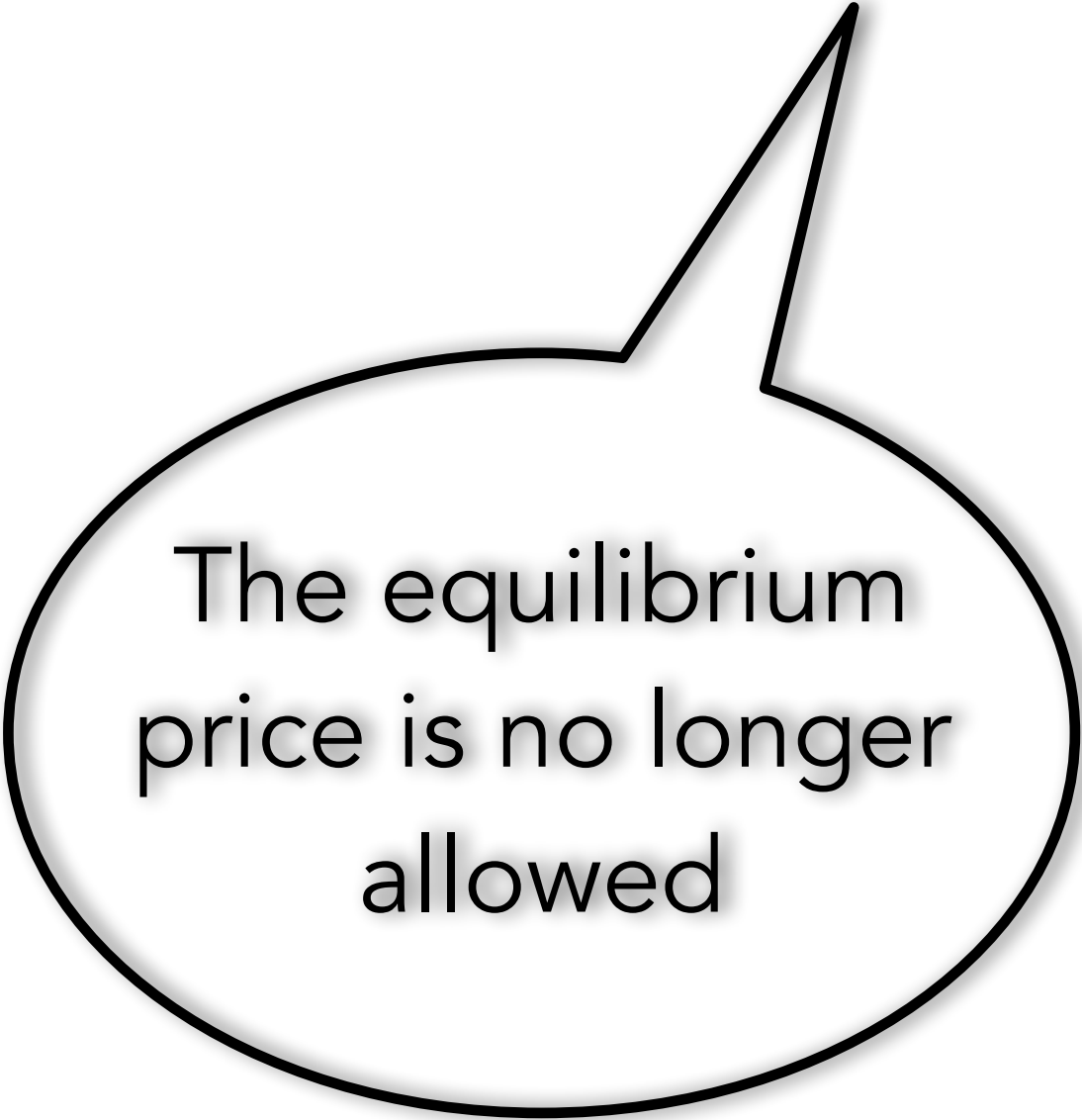
**"\$3,900?**

Rent is too  
expensive!!"

If the market is allowed to clear, rent will be \$3,900

Price Ceilings  
Cause a Shortage

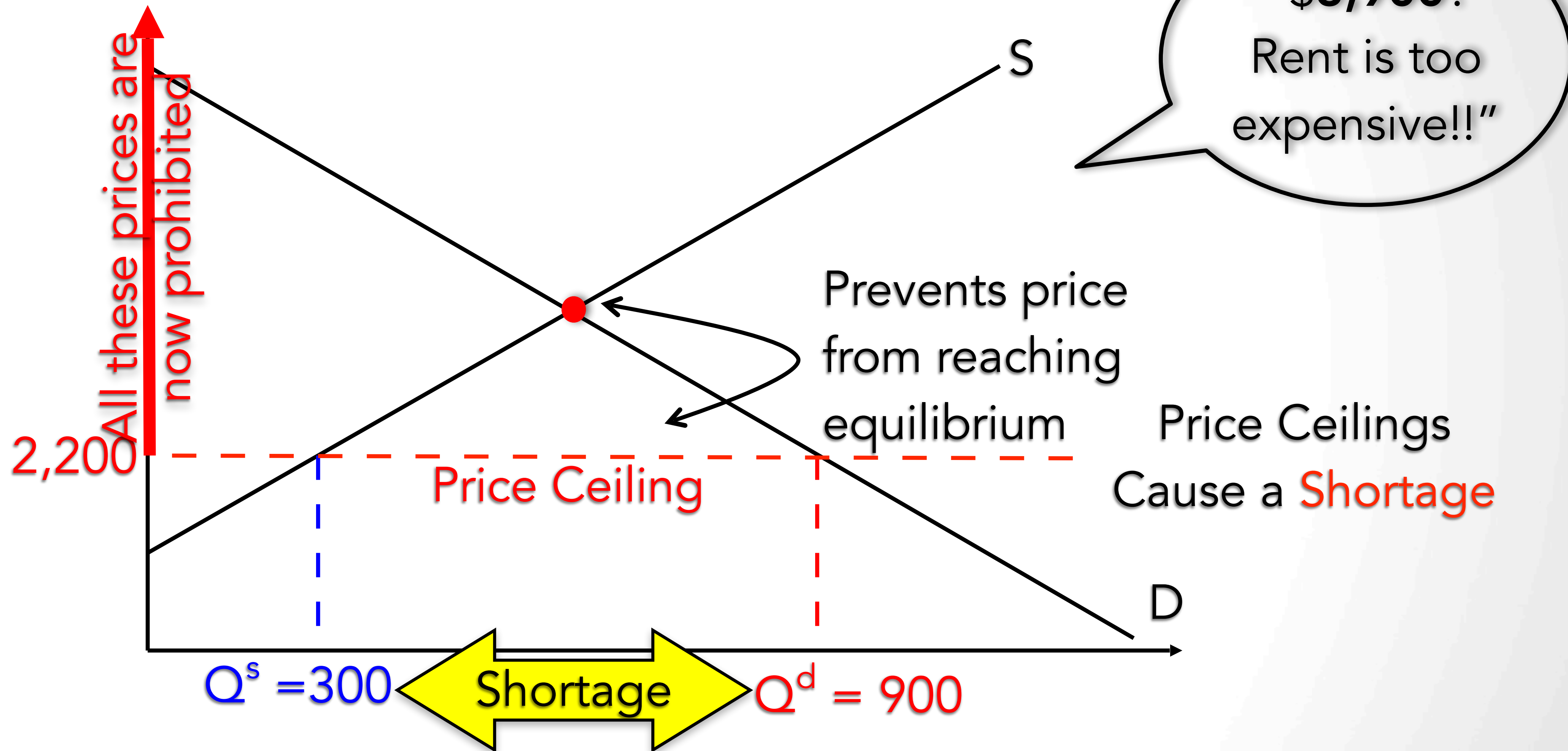
Consumers (renters) ask the government to impose rent control



The equilibrium  
price is no longer  
allowed

# Consider the Rental Market

Rent Control:  
Landlords  
can't charge  
more than  
\$2,200



Consumers (renters) ask the government to impose rent control



