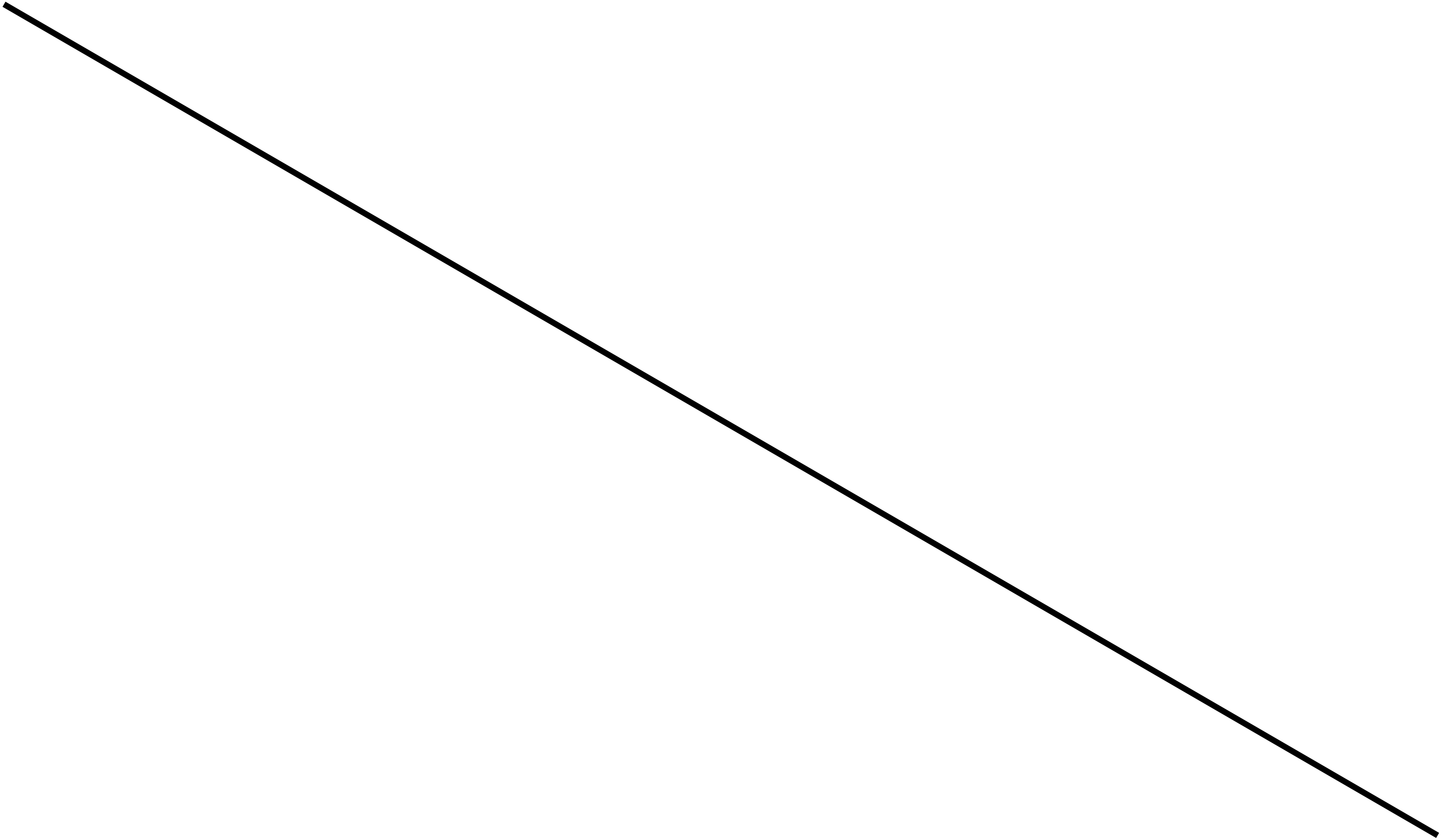


Consider the Rental Market

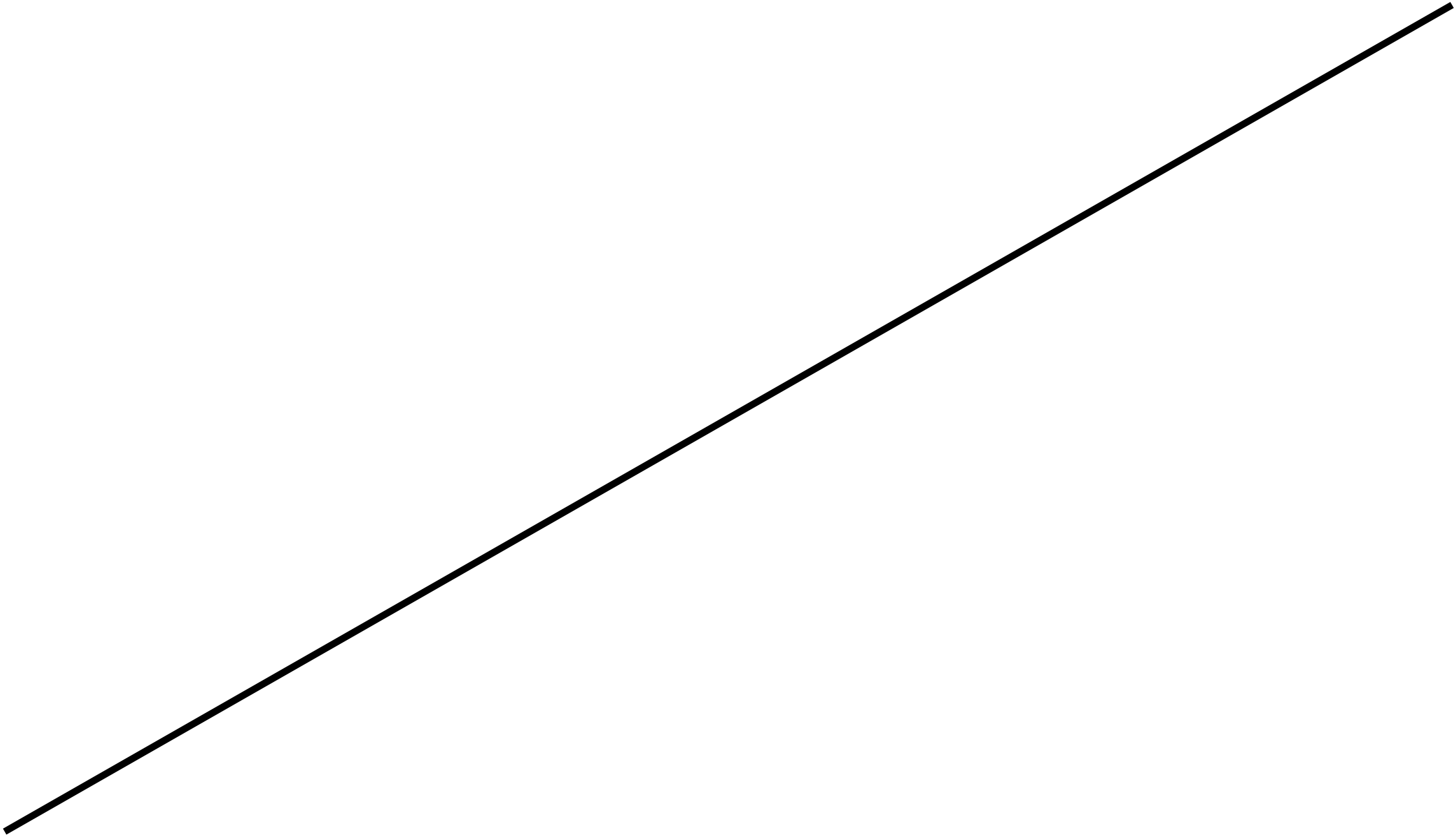




D

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

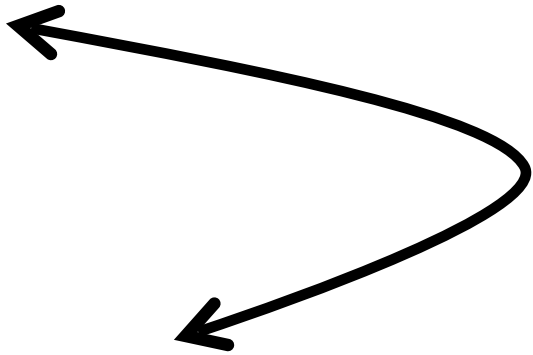


Price Ceiling

All these prices are
now prohibited



Prevents price
from reaching
equilibrium







Shortage



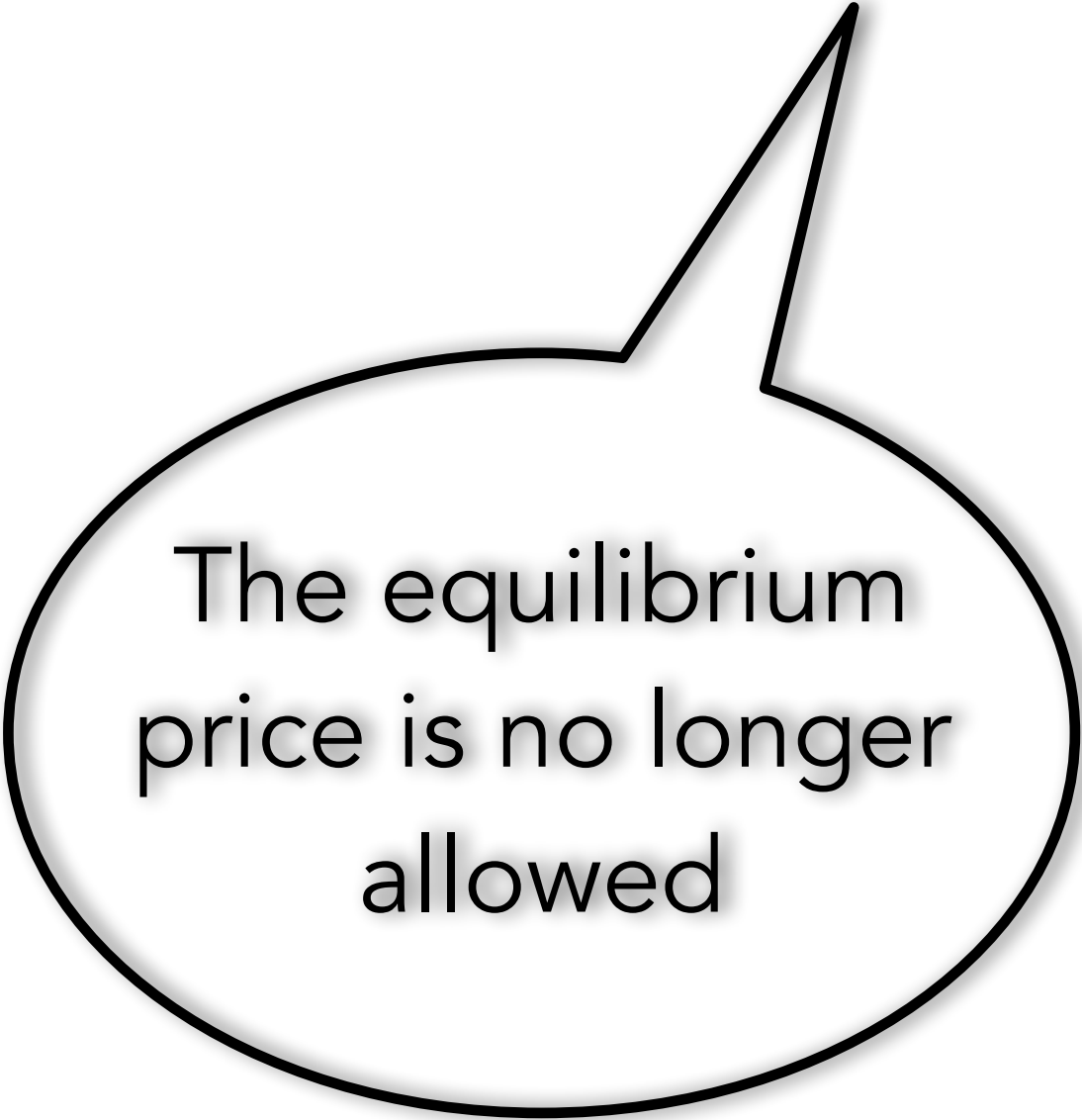
"\$3,900?

Rent is too
expensive!!"

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

Price Ceilings
Cause a Shortage

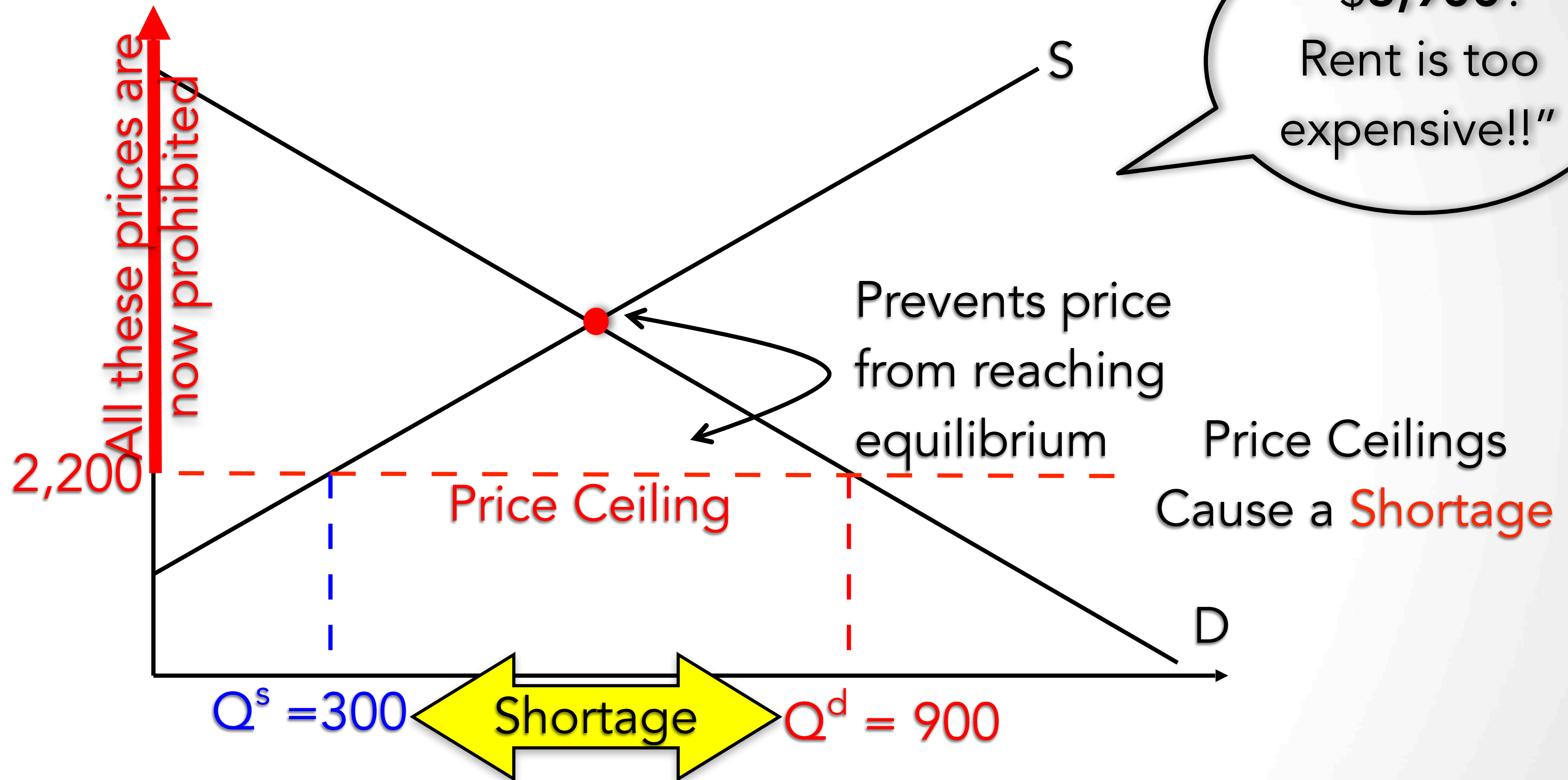
Consumers (renters) ask the government to impose rent control



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

