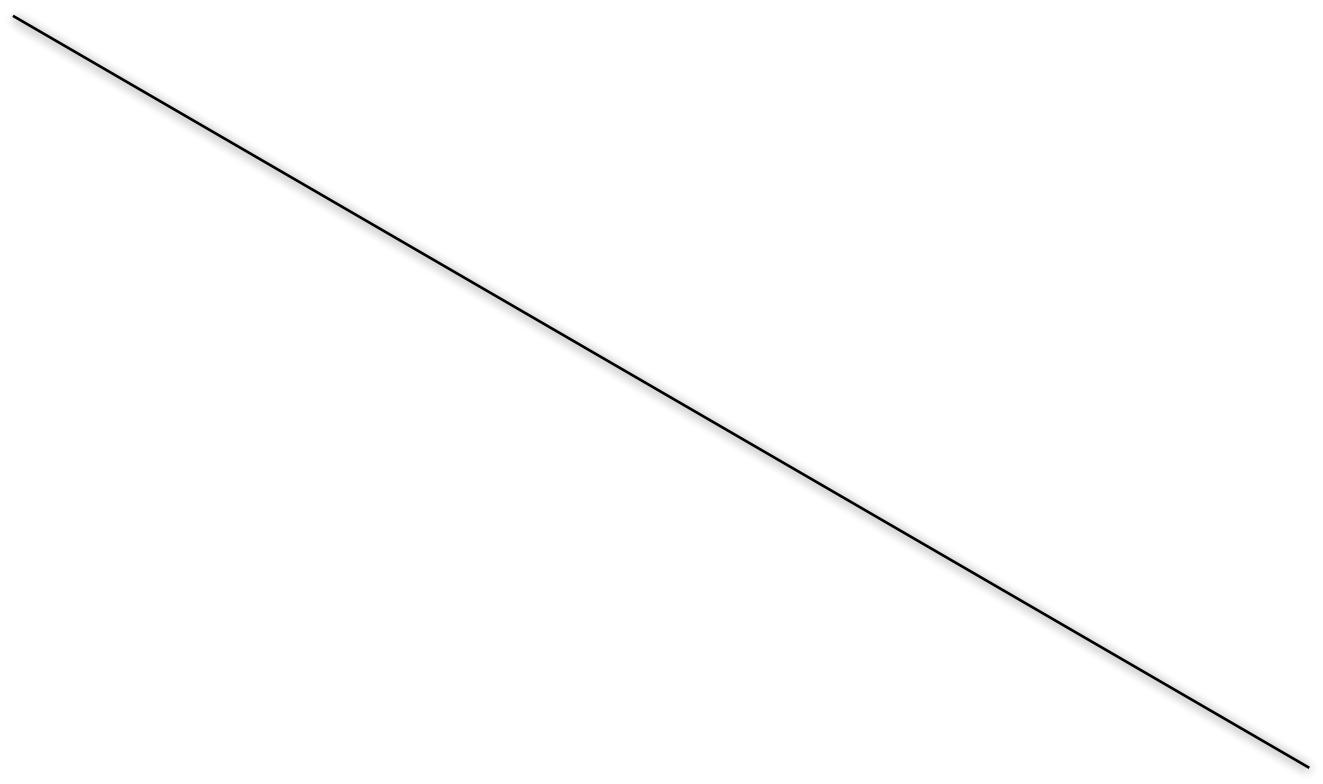
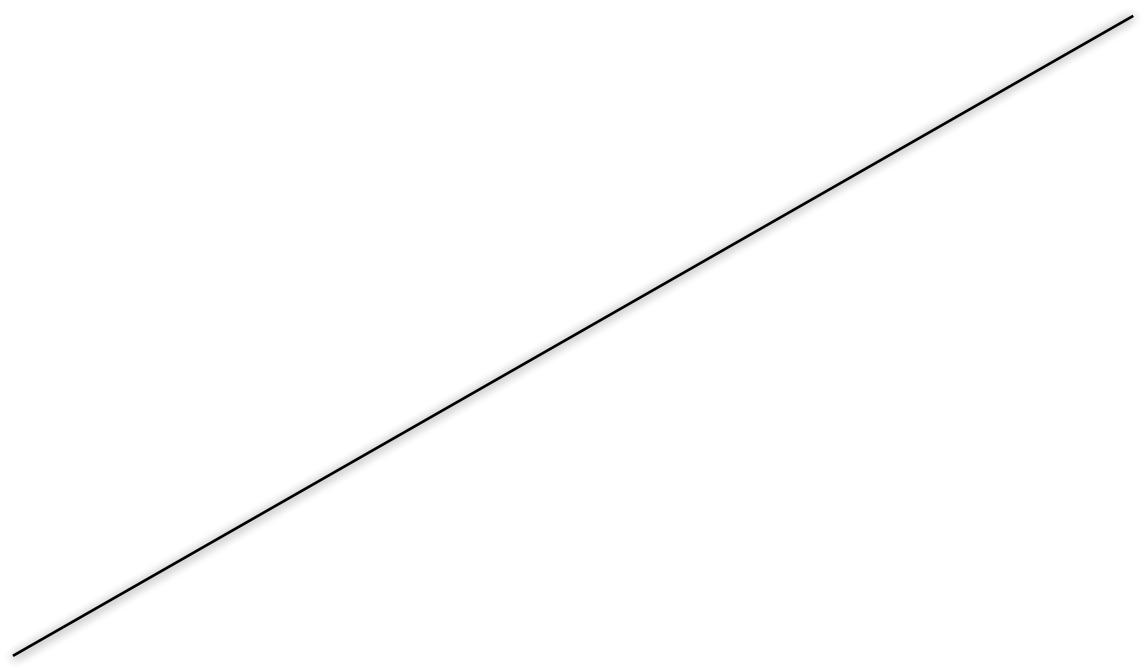
Consider the Rental Market













*



 $Q_{e} = 600$

$P_e = 3,900$

Rent Control: Landlords can't charge more

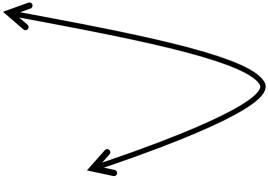
than \$2,200



Price Ceiling

a Te

Prevents price from reaching equilibrium









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

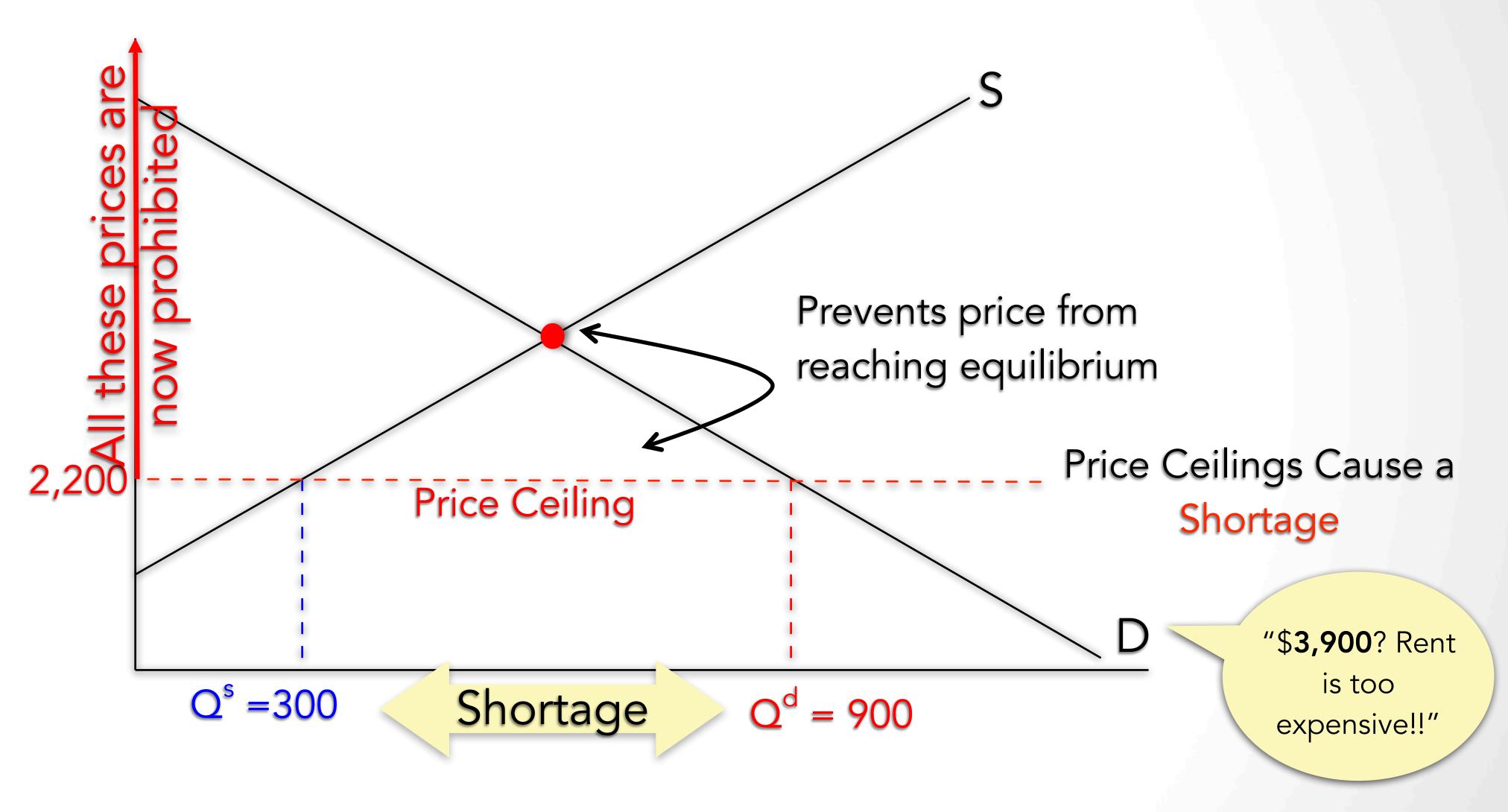
Price Ceilings Cause a Shortage

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

