



February 1, 2019

Re: Rent Control Bill SB 608

To Whom It May Concern:

The Management Group (TMG) opposes SB 608. While the impact to a single residency may not seem like a high price at first glance, TMG is concerned about the impact that this bill will have on investors looking to expand into the northwest.

This legislation, along with the message it sends that Oregon does not support housing providers, could have the opposite impact for which it is intended. Namely, it could create a further housing shortage rather than helping to alleviate the current housing shortage. The only clear way to solve a housing shortage is by creating more housing. This is done by attracting investors, rather than creating legal mandates that continue to drive them away. If the supply of housing is increased, the demand will go down naturally, and investors will automatically begin to lower rents in order to accommodate the market. If rent control is instated, many investors will be too afraid that they will not be able to recoup their investments in order to build or buy in Oregon. Thus, they will never make the initial investments that will help bring up the housing supply.

The few markets that have put rent control in place (i.e. San Francisco) have ultimately experienced higher rents, less habitable units and lower housing availability. This natural outcome of rent control is the exact opposite of the answer we need to the housing shortage problem. When housing providers cannot recoup the costs of upgrades, they will (out of necessity) postpone upgrades to units that they might otherwise have been able to offer.

TMG strongly supports the idea of solving the housing crisis and creating more, affordable housing for families. The way to do this, however, is not through rent control. The funds being currently used to legislate control over housing providers could instead be used to provide rental assistance for low income families or fund housing grants. Tax credits and incentives could be used to entice investors to create more housing in Oregon, rather than continuing to create legislation that will ultimately drive them away. Obtaining zoning permits needs to be a much quicker and easier process so that investors know that if they build here, they can begin collecting rents quicker than if they build in other locations.

Housing providers are not the enemy, but are the solution to Oregon's housing crisis. Oregon should begin focusing on working hand-in-hand with housing providers to increase the housing supply rather than controlling and limiting the units already available.

Best Regards,

The Management Group
7710 NE Vancouver Mall Drive
Vancouver, WA 98662
(360) 892-4000

Pacific Business Center
7710 NE Vancouver Mall Drive
Vancouver, WA 98662
(360) 892-4000 • Fax (360) 892-2636

Pacific Corporate Center
15350 SW Sequoia Pkwy. #200
Portland, OR 97224
(503) 598-0552 • Fax (503) 598-0554

www.TMGnorthwest.co
info@TMGnorthwest.co