

From:
To: [Exhibits SHOUS](#)
Subject: Senate Bill 608---from the brokerage perspective
Date: Friday, February 1, 2019 3:00:33 PM

I have been a broker for 31 years in the state of Oregon. I have specialized in the multifamily arena for the past 10 years. Multifamily as an investment choice has always adjusted based upon the supply and demand in the market. As supply increases rents move down to adjust for more product to be absorbed. As the market supply decreases rents gradually and slowly move up. The cycle repeats. Currently the vacancy in new class A apartments is at an all time high. Rent concessions are being offered to tenants: free rent, big screen TV's and gift cards.

Many owners that I have worked with over the years have been conservative in making rent increases to their tenant base. Many only move rents 3% to 5% per year. Often times their rents are significantly below market. With that said, many owner will let a property run for years without making any improvements or upgrades. The tenants rarely move because the rents are below market. The properties will fall further and further into dis-repair. Those properties fail to provide safe, clean housing for the tenants. In my career I have seen some of the worst property conditions. If the landlord is collecting rent and the tenants don't request repairs the property will continue to decline. As the property declines the quality of the tenant base declines as well. I have sold properties where a SWAT team had to removed the drug dealers who moved into a section of the property and terrorized the existing tenant base for years. The owner lived out of state and relied upon an onsite manager who was connected to the drug dealers. A dangerous situation which needed immediate correction. Thankfully the sale of this property to a new owner resulted in the property being rehabbed and repositioned into a beautiful apartment property for working class individuals. Otherwise this property would have continued to degrade.

We have an unprecedented amount of in-migration to the state at this time. It is putting pressure on the existing housing stock. Demand is high and inventory has been low. New construction is on the rise. Vacancies are increasing in existing properties with absorption of new units is taking longer. Rent incentives in new and existing apartments are being offered and the market high rents are coming down.

Multifamily has always self regulated pricing based upon the market demand cycle. No government intervention is needed.

Many of the multifamily investors I work with have stated if rent control is passed statewide they will not invest in Oregon. Current owners are making plans to sell their apartments and move their equity to other states. What a shame.

Please do not pass SB 608.

Kindest Regards,

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Principal Broker/Owner



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