

Submitter: Daniel Hayes

On Behalf Of:

Committee: Senate Committee On Housing and Development

Measure: SB611

My name is Dan Hayes and I live in Tigard, OR. I have worked in the rental housing industry for 12 years and have been a housing provider for just as long. I implore you to please vote NO on SB 611.

It's clear that rent control isn't working in Portland or around the state. Most of our cities are growing more unaffordable by the day. This bill will make things even worse and doesn't address the root cause of housing instability.

Please think about what this proposal is telling housing providers in regards to what they can expect if they come to Oregon to develop much needed housing. Why would they come here under this kind of proposal? Our entire country needs housing and developers WILL NOT build in Oregon with strict rent control

Secondly, IT DOES NOT WORK! When you have a liberal rent control amount such as 7% plus inflation with a logical new construction carve out, you allow the market to respond naturally to supply and demand. For example, rent growth has slowed to a crawl and it's taking longer to fill vacancies. As a housing provider, I have no intention of raising rents anywhere near the allowable 14.6%. The market will simply not bear it.

However, if you move to a 3% plus inflation, never more than 8%, I, and others like me, will raise the maximum every year. How could we not? We never know what the market is going to do, so the approach of raising rents in preparation of a downturn or costly repairs, will cause an unnatural movement in the marketplace and the unintended consequence that goes along with it.

Housing Oregonians at the sole expense of those providing their housing is not sound public policy and is not a sustainable way to address housing instability. We need to focus on permanent rent assistance and increasing supply.

If the state wants to achieve the goal of 36,000 new housing units per year, we cannot pass this bill. More rent control will only disincentivize new development and ownership of rental units. This bill leads us further away from our housing goals.

SB 611 will drive small and large rental owners out of the market and hamstring much needed multifamily developments. Lack of housing supply makes it harder for businesses to grow, for local governments to have a solid tax base, and for Oregonians to stay in their own communities.

Rent prices are set by several factors like rising utility and insurance costs, inflation,

increases in the cost of maintenance and payroll, and local tax burdens. All of these costs are only increasing.