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On Behalf Of:

Committee: Senate Committee On Housing and Development

Measure: SB611

When the rent cap was put in place a short time ago, it was sold to Oregon citizens as 14.6% annual cap on increases. It's an inexplicable turnaround to now cut the rent cap in half.

This action shows no apparent understanding of the economics of owning and operating a business, much less rental real estate. Inflation is at a 40-year high, everything costs more, including utilities, repair/renovation materials, service contracts for apartment/building appliances, equipment and more. When expenses increase, income cannot be artificially constricted. If it is, the seller/operator goes out of business. Then the state of Oregon loses housing units. Or, landlords cannot afford to perform maintenance and repair at the rate they previously did, as responsible owners. Eventually, properties decay because owners can't afford to maintain them. You then create the very slums you decry.

You will also most definitely impede new housing development. Why would any developer risk his own capital to come to a state with a rent cap? With a cap that the state changes on a whim, developers will bypass Oregon and go to Idaho, Utah, Nevada, etc. Google San Francisco and New York two of the many places that prove every single day that rent control DOESN'T WORK. You disincentivize creation of quality housing units and you incentivize real estate business people to depart the state for greener pastures.