

Submitter: Sarah Hayes  
On Behalf Of: self  
Committee: Senate Committee On Housing and Development  
Measure: SB611

Hi there -

My name is Sarah I've been a landlord in Portland for 25 years for several homes that I own privately and rent out. I am firmly against this bill as it will force me to stop being a housing provider to long term renters (my core market).

The past few years have been quite challenging for a small landlord - COVID caused disruptions in both ability to collect rent in a timely manner, inability to do inspections and perform upkeep, every unit can now get a pet post move in due to loop holes in the 'service animal' requirements, constant legislation changes that push risk onto myself, and many hours of documentation and paperwork in addition to not being able to collect deposits to offset the risks.

That said, I did what I thought was best to keep my renters in their homes - I did NOT raise rents during COVID times at all (for 3 years), with the understanding that I would have room to increase under the current law of CPI plus 10%, and wouldn't risk not being able to maintain the upkeep and operations of the units. My first rent increase post COVID was 5% last year - well under the ~9.8% cap even though inflation was 8%. My renters - most of whom are long term - understood that I absorbed the difference. Units are still below current market rate.

HOWEVER, if the current bill is modified in ANY capacity - my trust in your laws goes entirely out the door and I will be in the same position as all the other landlords in places like NYC and SFO to increase to the max allotted amount each year or sell my units to exit the business due to the burden of risk with not being able to have the flexibility to manage the ups and downs financially of owning just a few units. Please don't force me into a financial situation where I can't afford the risk of NOT making a max increase y/y - the long term renters won't be able to afford those kinds of increases, placing undo burden on them to move, and myself to find new renters. The DIRECT impact of any changes to the bill is going to force larger increases - the exact opposite of what this goal aims to accomplish.

Since I can't optimizing for long term renters with the changes caused by this bill, my other choice is to sell my units purchased 25 years ago to either a new landlord, who will need to increase the rents substation to make up for the increased purchase price, or transition them to owner occupied Airbnbs (I own vintage duplexes with lots of charm) - thus removing them from the rental housing market.

My situation as a small, local landlord is NOT unique. The small landlords are your stalwart partners in the housing industry who DON'T optimize for profit like the private equity firms or other large scale businesses. This change will force the rest of us out as a category, significantly shifting the providers of housing to out of state profit makers. But small, local landlords ABSOLUTELY need to have tools and flexibility to manage the risk and ups and downs year to year inherent to having a small number of units, and that comes from having a larger cap to cover operating flexibility and still offer housing.

Please keep in mind that any landlord who owns less than 20 units can't be a full time property provider. Anyone with less than 30 units really falls into this category of a small time landlord like myself who is not large enough in scale to manage the risk of owning individual units to weather this bill and not be forced into increasing to the max year over year. I'm not sure of the percentage of unit are owned by someone with less than 30 units, or the percentage of the under market priced units, but I expect this to be a significant number proportion of housing stock, all of whom I expect AREN'T currently maxing rent increase to not being able to stay in business if we DON'T do the max increase y/y or remove ourselves from being able to provide housing due to the inability to manage the financial risk with maintaining and owning property.