

Submitter: Isaac Collmer
On Behalf Of: Small Landlords
Committee: Senate Committee On Housing and Development
Measure: SB611

I am a Portland small landlord and owner-occupant having purchased a duplex in 2021. The rent from our current tenant is severely under market value and it has barely covered half of the mortgage, which is not sustainable for our family considering that there are many more expenses in addition to the mortgage. We really try to take care of our neighbor tenant, and felt really bad for the necessity of raising rent to the full 10% cap in Portland, Oregon, but our family can barely afford the expenses in addition to the mortgage and need the additional money. This bill will make it even harder for us to stabilize this property as a rental because we will no longer be able to raise rent to the market value for this property in a timely manner, which will be another 3 years as the current law stands, but most likely 5 or six years with the new proposed bill. This illustrates how a decrease in the allowable percentage rent increase will force many good, honest landlords, who really do want to help tenants receive affordable housing, to increase to the maximum allowable rate or face the inevitable reality of falling behind on being able to meet the true demands of owning/operating a small business as a landlord. Secondly, I fear that if we are unable to stabilize our property, we may have to sell, and therefore decrease the amount of rentals available on the market. This happens in Oregon already, and we have seen this in states like New York and California, where market value rent, almost counterintuitively, has skyrocketed due to rent control constricting supply and increasing risk for small landlords, therefore causing many to exit the rental business and decrease the amount of viable and affordable options for renters. Lastly, as rent is controlled more and more, the ingenuity of all landlords and small business owners will be severely dampened and cause a lack of desire to create new rentals or participate in a market where it's not worth the risk or trouble to operate. This will restrict affordable options for renters across the state even more, causing market values to rise even further. This is a true supply and demand issue and rent control has never solved the problem, only exacerbated it by restricting housing supply. Thank you for considering these points.