

Submitter: Charles Rorive

On Behalf Of:

Committee: Senate Committee On Housing and Development

Measure: SB611

Honored Senators,

I am submitting this testimony in opposition to SB 611 as written. I am a licensed Principal Broker and have been performing property management services for landlords in southern Oregon for approximately 18 years. I believe that the intent of this bill is laudable; however, I also believe that in its current form this bill is flawed. In my opinion, there are three components to this bill: one that I agree with and two that I personally oppose.

The first component of the bill, increasing the amount a landlord must pay when giving a tenant a notice of termination, I am in opposition of. Changing the current law requiring landlords with ownership in four or more residential units to increase the amount they pay a tenant when delivering a notice of termination from one month's worth of rent to three months worth of rent to be an unjust burden on the landlord. The landlords are already burdened with many costs associated with running a rental property, having them pay one quarter year's rent simply because they are giving tenants a notice of termination is gravely unjust. This extra compensation to the tenants being given a notice of termination will not make it any easier for those tenants to find other housing accommodations. The problem our tenants face in this state, is that there is a very limited supply of rental housing to choose from. I have seen this personally, when very well qualified and financially able individuals offer to pay more than the asking rents simply to TRY to obtain lodging... Rather than once again penalizing our existing landlords, we should be encouraging them to build and obtain more residential rentals to help meet the demand.

The second component of the bill, reducing the amount a landlord can raise rents in a calendar year, I agree with. Most landlords should be able to maintain their rental properties, pay any associated costs and still make a profit with an annual rent increase of 8% or 3% + CPI whichever is less. None of the landlords I work with have raised their rents anywhere near the 14.6% allowed this year under the current law; combined, they only raised rent around 7.5%. Here also though, if there was a bigger supply of rental properties landlords would not be able to raise rents as high as they have been without losing tenants to less expensive rental units.

The third component of this bill is reducing a landlord's exemption to the annual rent increase for a building having a first certificate of occupancy issued less than 15 years ago to less than 3 years ago. For a builder or developer to recuperate their investment in three years rather than fifteen years would require the rents to be five

times higher than existing rental properties. This would effectively deter builder/ developers from building any more rental properties and also deter private landlords from buying newer rental properties. This would effectively cause an exacerbation of the current rental housing inventory problem.

Thank you for your time.