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On Behalf Of:

Committee: Senate Committee On Housing and Development

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My experience with rent control here in Oregon has not been good. Over the last couple of years, it's looked like costs have gone up faster than the CPI suggest; and my houses were a little below market rent. I'm now scrambling to catch my rent up. Since rent control has kicked in here in Oregon, I find myself having to maximize my rent increase every year, so I can keep up with costs. If I skip raising my rent one year, that increase is now gone for ever. If cost double next year, I'll not be able to make the adjustment; so I have to get it now if I can. That's not the environment I signed up for when I bought the houses. 3%+CPI with an 8% cap? Some people were noticing a lot higher inflation than the CPI just a couple of years ago, and what are property owners suppose to do when inflation is greater than 8%? Who are we that we must take the inflation loss of others?

The solution I'm pondering is whether or not to get out of the rental housing business and invest else where. I can see a lot of owners doing that, but I don't see it solving the state affordable rental housing issue. If there is an investment else where with a better risk to reward ratio than owning rental property, why wouldn't people just sell their rentals? I'm looking at that as a possible necessity. I've really only got these houses for diversification purposes in case any of my other investments go south like these house are at risk of doing.

I keep hearing about the free market, but where is it? If developers or even myself raise prices above the market, they're not going to rent those places. The market will adjust itself if you let it. Otherwise, you force it and everything falls apart starting from one end or the other. Please look to the success and failures of every other state that has implemented rent control. Please consider at what the record shows.