

Derrold Burnett, 1 farm house rental, Deadwood, Oregon 97430, 31 year rent history

HB 611 will adversely affect the landlords' operating margins and this in turn will have an adverse effect on available rental units and their standard of living. Businesses cannot remain in business with inadequate operating margins.

8% Rent Increase Cap. The current high inflation rate of 7% will continue to increase in lock step with Government spending. We do not know how high the interest rate will go before it stops inflation. When inflation equals or surpasses the rent cap, the landlord will not be able to recover operating cost increases from the tenant. This will drive rental operations to a negative operating margin and the landlord will be forced to adopt one or more of the following operational changes:

- Close the rental as soon as possible to minimize operational losses,
- Sell it to a buyer who plans to live in it, as the case for my single residential house,
- Repurpose the property to another use,
- Eliminate improvements,
- Reduce all but necessary maintenance thereby degrading the unit over time
- May eventually force the closure of the rental due to habitability concerns if not already closed or repurposed.

Tripling relocation fees because of the increasing inflation enhances the tenants financial position at the direct expense of the property owner. This is tantamount to another property or operating tax increase. The requirement to pay someone to leave your property at a month's expense is bad enough. If they want a month's rent when they leave the rental, then let the tenant set it aside for future use.

If the state wants to fund a tenant's move, let ALL Oregonians pay their fair share from an equally applied penalty/charity tax, not from a single and targeted sector of the economy, the property owners.

These two measures, coupled with an already slanted and overregulated sector of the economy, creates a growing disincentive for property owners to remain in the housing rental business. The current residential rental law environment in Oregon makes investing in residential real estate a poor decision to either build more units or to stay in residential real estate.

Create incentive for property owners to be in residential rentals if you want to improve availability. These types of measures will not ultimately improve housing availability, just the opposite. It is unreasonable and a poor business practice to expect property owners to operate in the red to fund another person's housing so the state can satisfy a voter commitment to get the homeless off the streets.

Rent control eliminates a free market and has caused housing instability in places like New York and San Francisco.