

Hello,

I'm writing to express my strong opposition to SB 611, based on my views as a Realtor® and landlord.

**1) Limiting annual rent increases to the lesser of 8%, or 3% plus the annual 12-month average change in the CPI...**

Capping rent increases will hurt renters, because it will encourage landlords to want to raise rents annually in order to ensure rents keep up with inflation. For example, prior to SB 608, many landlords (including myself) did not raise rents often, and sometimes never. In fact, for many years, I never raised rent until a tenant moved out. That's because I didn't rely on the income, as I had a full-time job, and I viewed my rentals as a long-term investment. Now, due to SB 608, I feel like I have to raise rents annually in order to protect myself and my investment. After all, the amount we are allowed to increase rents could be tightened at anytime – and here we are!

Capping rent is a form of rent control, and there have many studies that show that rent control may seem to work for the short term, but not for the long-term. Landlords want to keep tenants in place and, to do that, we would naturally limit any rent increase to avoid losing a tenant. So we don't need a law to tell us to limit rent increases; we already do this naturally. But if this passes, and the cap on rent increases is tightened, landlords will feel even more compelled to raise rents annually – because when will the next law be passed to further tighten the cap on rent increases?

Capping rent will not create more housing. The only solution to this “emergency” is to build more housing. Yet SB 611 will actually cause many landlords to sell their rentals, which will reduce the rental supply and cause more of a problem.

**2) If a landlord terminates without cause during the first year, they may not change rent for the next tenancy above the maximum amount the landlord could have charged the terminated tenant.**

One of the big reasons landlords prefer no-cause notices is to avoid for-cause notices, which hurt a tenant's ability to secure future housing. If a landlord wants a tenant out, it's most likely due to the tenant not taking care of the property, being a nuisance to neighbors, or not paying rent on time.

In the case of not taking care of the property, a tenant could cause significant damage that would require a landlord to spend a lot of time and money getting the property back in shape for the next tenant. In these situations, landlords usually foot the bill for costs over and above what is available as a security deposit. If that's the case, landlords should not be penalized and should be free to set the rent at what they need to continue making renting their property viable.

I recently had a situation occur where a tenant caused a toilet to overflow by putting rocks in the tank to save water. At 10:00 pm, the tenant used the bathroom across the house from their bedroom and then went to bed. When they woke up at 6:00 am, they

found standing water throughout the house. Needless to say, immediate remediation was required to prevent mold. It's been 4 months now, and we're still getting the property back in shape. Insurance covered some of it, but we're still out-of-pocket for a large amount.

The tenant moved to Portland during all this, and her rent was below market. If SB 611 were in place, and we wouldn't be able to raise the rent above the low amount she paid, and it simply wouldn't be financially unfeasible for us at the same rent.

So do not require landlords to retain the same rent as the last tenant. Otherwise, it will only further compel landlords to raise rents annually and likely for more than they would naturally if this law were not in place.

### **3) Increases amount landlords owe tenants for landlord-caused terminations – to 3x the monthly rent.**

Requiring landlords to pay 3x the monthly rent is too much. The current amount of 1x rent is at least more fair. Keep in mind, landlords are also now required to provide a 90-day notice, rather than a 30-day notice. A 90-day notice hurts landlords, especially if they plan on selling a property. They will not get the same price as they would if they were able to terminate a tenancy and clean up the property before putting it on the market.

All landlords are not rich! I personally have a mortgage on every rental I own, and the cash flow is simply not there if I were to need to have a tenant move out for one of the qualifying reasons. Asking for 3 times rent is like asking for ransom in order to be able to get a tenant to move out of our own property.

Requiring that the 3x rent be paid prior to the tenant moving out is a BIG issue. What if the tenant takes the money, but doesn't move out? What if they move, trash the property, and keep the money? It seems like there should be an escrow account set up to ensure compliance and that the funds are used for moving.

Also, many tenants may not need financial assistance to make a move. It seems it would be more balanced if tenants would be required to qualify for funding their move, to ensure this program is benefitting those who really need it. This funding could come from the state, county or city, rather than from individual landlords. After all, landlords are not responsible for the low housing supply. In fact, we're the ones who are supplying the current housing and shouldn't be penalized.

### **4) Declares emergency on passage.**

This is not an emergency. The housing supply has been low for decades, and it's not the fault of landlords. If this is an attempt to get something passed, which can only pass in the event of an emergency, this could be considered illegitimate.

**5) Private property rights must be protected.**

SB 611 would take away property rights and could be considered regulatory takings without just compensation. It could interfere with the reasonable investment-backed expectations of property owners, which is a critical consideration when determining whether a particular government regulation constitutes a taking. By imposing these regulations, the State would be unfairly and unjustly benefiting one group (renters) at the expense of another (landlords), without providing just compensation for the loss of property rights.

Additionally, SB 611 would harm landlords who supply our rental housing. They could interfere with landlords' ability to maintain & improve their properties and generate an expected return on their investment. Plus, landlords would be subject to the risk of financial penalties if they need to terminate a tenancy, which would discourage them from renting out their properties and ultimately lead to a reduction in the rental housing supply.

Finally, these regulations are not in the best interest of renters. They would reduce the supply of rental housing, making it harder for renters to find affordable and suitable housing options.

In conclusion, I urge Senators to VOTE NO on SB 611. It's clear that this Bill is intended to protect the minority of renters who are low-income and very-low-income. Yet this ordinance will negatively affect ALL renters, ALL landlords, and ALL homeowners. Any further discussion should have all types of stakeholders involved, including landlords, for a more positive and balanced approach.

Thank you for your time and consideration.

Kathryn Dunn