

SB611

Senate Committee on Housing and Development  
Meeting Date 3.27.23 at 8am PST

5 units on 2 properties in Jackson County

Dear Committee on Housing and Development:

**I urge you to vote "NO" on SB611.**

I am a small landlord with 2 properties. I myself am trying to make ends meet and keep up with large vendor price increases. This, coupled with constrictive landlord laws it is not always worth the excessive time and costs to make this endeavor worthwhile. The headache of real estate as an investment is considerable compared to investing in the stock market.

I have had my share of experiences over the years. Landlords, especially the small ones, under 15 units like myself are excessively impacted with time spent and cost increases. It takes time to follow up on damage done, or when there are illegal guests or smoking on a no- smoking property. The time spent to document, follow up, do notices, reinspect, is an incredible unreimbursed burden on landlords.

Landlord costs are skyrocketing. My vendor invoices – take HVAC, for example, have gone up about 35-40% in the last couple years as have the costs of many other things like food, clothing, utilities etc. Yet, landlords are being asked to cap our revenue ...? Market rate will dictate what someone can charge. Why not let the market decide?

Having rent caps artificially impacts the overall market. It actually forces landlords to increase rents EVERY year so prices keep up with market rents. why? Because selling a multi unit property, the sales price is largely determined by the Rental Revenue you get from each unit.

If you want to regulate someone – regulate the big developers who are 'gobbling up' properties left and right – think – Blackstone and Blackrock and even individual corporations such as Oracle; 60 Minutes had an excellent piece on this last year. These large companies are artificially creating a higher market rate to make more money for their own pockets. That is the issue causing unaffordability in the marketplace and wages cannot keep up fast enough for this. Start increasing the minimum wage to keep up. First time home buyers are being outbid by these companies too making it difficult to even enter the permanent housing market.

Small landlords use real estate as an investment so we do not become a burden on society. To be self-sufficient in retirement. If laws continue to be punitive against landlords, you will see a larger and larger housing crisis with more and more selling their rental properties which will further reduce rental stock, particularly if it is a single family home because those are generally sold to families not as rentals.

The headache landlords go through, the rules that have to be followed and kept up with – yes, there are many and they change constantly – especially during Covid, we do not get our time back nor can we charge for it or deduct it on our taxes, except under extremely limited circumstance and not even at full market rates.

Small and large landlords have to keep up with the same rules making it more prohibitive for the smaller landlords and rather than giving the owners of the property, their property, more say in how the property is treated, landlords are being asked to essentially be a branch of the government. It is good to have to follow Fair Housing Rules, yes, but, it should be easier to remove tenants for violating their contracts. Example, smoking – how will you ‘catch’ this if it is only done inside a unit. That is almost impossible to do and then the damage has occurred.

Landlords should not be here to subsidize housing for the government. If individuals qualify for government programs that is on the government to support and fund, not the small investor. Please **regulate these large real estate firms**, maybe **put some caps on what vendors** such as HVAC or insurance companies can charge. Has anyone considered that – putting caps on other industries that impact everyone?

SB611 – vote no to increasing relocation costs to 3x – often landlords are making costly repairs and/or sacrificing revenue if having to terminate a tenancy in this way; 1x – ok, but not 3x is excessive on top of 90 day or longer notice.

SB611 – 90.323 (4) – if a landlord needs to do a no – cause termination, why is rent for a future tenancy being impacted at all. It should be able to be rented at market rate. The market will likely not even change that much in a year, and if it does, why is the landlord is being asked to take this hit? When other costs and inflation goes up around us? This makes no sense at all.

What landlords really need is a reporting portal for tenants that cause damage, violate rules and do not pay. Most matters will ‘not’ end up with a judgement in small claims as it is generally negotiated away or the landlord decides it is not worth the hassle to pursue even though they are out the money. Some tenants just move from property to property evading the system and no one is the wiser. This database could be added to the courts database.

Tenants should also be accountable. Landlords are accountable, why not tenants? Landlords have to follow every letter to the law, pay for attorneys, pay for education classes, dues to associations, etc. Judges are typically tenant friendly. If a landlord navigates their way to small claims, they have had to jump through hoops to get there. And, then trying to collect – that’s difficult and further cost to landlord who has already lost money. Tenants get free legal help, why shouldn’t landlords get the same opportunity? Maybe make garnishing wages easier and free to landlords in any state.

Landlords should generally get more latitude as it is their property, their investment, their time ... not less latitude. These laws are going after the wrong people. Go after the real estate industry, the Blackrocks of the world, go after all vendors to keep prices down for everyone. Regulating just landlords will hurt the economy and **will give the opposite effect** you are looking for **by reducing rental stock and increasing rents.**

Thank you for your consideration and I urge you to **please vote ‘NO’ on SB611.**