



March 27, 2023

Senate Committee On Housing and Development

Re: SB 611 and associated amendments

Subj: Testimony in Opposition

Dear Committee,

I am writing you today to urge you to vote against SB 611 and the proposed amendments which will cause major capital housing projects in Oregon to come to a halt. I am currently managing two separate multi-family projects in Portland, Oregon which will deliver 560 units in 2024 and 2025 respectively. Security Properties relies on the stability provided by the framework SB 608 provided in 2019 to attract capital investments to our projects in the region. Importantly, the 15-year exemption for new construction creates the necessary stability for new investments to cycle from construction, to lease up, stabilization and sale using the market as the bellwether for rents and returns. Cities like St. Paul, MN who implemented a rent control policy but eliminated their exemption for new construction have quickly reversed course as private investment in housing fled to other markets with less restrictions.

- **We oppose SB 611 and these amendments.**
- Investors and developers count on consistent regulations, which minimize risk and help attract capital. Changing Oregon's rent stabilization framework after just four years moves the goal posts and sends the wrong message—that Oregon is a risky place to invest.
- There is a lot of work underway this session to remove barriers to housing production, recognizing how far behind Oregon is on our needed housing supply. Increasing Oregon's housing production to ensure adequate supply is the best way to stabilize housing affordability for the long term and for everyone.
- SB 611 would add another barrier to production, creating long-term damage to Oregon's housing market, and decreasing affordable housing options. **Please vote no.**

Neither of our two projects currently under construction in Portland would pencil or be financed if SB 611 was in place at the time of capitalization. I urge you to vote no.

If you have any further questions please don't hesitate to contact me.

Sincerely,

Gus Baum
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