



To Chair Marsh and members of the Committee on Housing and Homelessness:

Portland: Neighbors Welcome is a pro-housing, pro-tenant grassroots advocacy group in Oregon's largest city. We are writing in support of HB 3746.

One of the ways Oregon can improve the lives of its tenants is by allowing some of them to become homeowners. This frees up rentals for other tenants, giving tenants more price leverage against landlords. And of course it helps people become homeowners if they want to.

Condos are generally the least expensive homeownership option. But Oregon builds too few condos. One of the multiple reasons for this is the high price of condo defect liability insurance. The larger the condo building, the more attractive it becomes for someone to persuade its owners to bring a shared lawsuit against their building's developer, so defect liability costs per home get larger for larger buildings.

Construction defects happen all the time, and would happen more often without defect liability. It would not be a good idea to completely remove defect liability. HB 3746 strikes a balance by setting a six-year window for defect lawsuits and a majority requirement for HOA lawsuits related to common property. These are reasonable compromises that we hope will somewhat reduce the defect liability costs while holding developers and contractors to their responsibility to build well.

Please support HB 3746 and the rest of the Unlocking Home Ownership agenda.