

March 12, 2025

Committee on Housing & Homelessness
Oregon Legislative Assembly
900 Court St NE, Salem, OR 97301

RE: Support HB 3746 to Increase Ownership Opportunities for Oregonians

Dear Chair Marsh, Vice Chairs Breese-Iverson and Andersen and Committee Members:

I would like to have been able to testify in person in support of House Bill (HB) 3746, which will make long-overdue improvements to facilitate the building of condominiums in Oregon, but I have a conflicting meeting here in Milwaukie.

Milwaukie has seen a wave of new apartment construction, with more on the way. But what is missing in all this construction is ownership potential – Oregon’s liability law has made developers unwilling to even consider condominium construction. While Milwaukie has seen over 1,100 new apartments in the past decade, there have been no new condominiums constructed in almost 20 years.

The issue was well summarized in Habitat for Humanity’s March 10 letter in support of HB 3746:

Our state’s condo defect liability statutes of limitations and repose are longer than many of our western state peers. Due to this extensive period of liability, developers, financiers and insurers take on much higher risk to build condominiums here. This heightened risk has greatly suppressed condo production in Oregon. The proportion of owner-occupied multifamily units permitted in this state is less than half the national average.

As of April 2024, Oregon is the fifth least affordable state for housing relative to median household income. Condos are more affordable entry points to homeownership. The median sale price of a condominium in Oregon was \$341,000 in 2023, 38 percent lower than the \$552,460 price of a singlefamily home.



As the state implements policy changes to increase housing production, it needs to ensure that every housing type remains viable to produce. If Oregon does not address condo defect liability reform, a key component of entry-level homeownership opportunities will remain underrepresented in our state's housing mix.

Increasing homeownership potential by facilitating the construction of condominiums is crucial for creating the full range of housing opportunities Oregonians deserve. The purchase of a condominium is within reach of many community members who might not be able to afford a single-family home. This includes both first-time homebuyers as well as aging residents who are ready to downsize out of a larger home and yard in order to have a simpler way of living. The benefits of condominium forms of ownership are not limited to large multi-family buildings, but also could facilitate more ownership potential in middle housing forms as well.

If I can provide any further information, please do not hesitate to contact me at bateyl@milwaukieoregon.gov.



Lisa M. Batey
City Councilor