



Chair Marsh, Vice-Chairs Andersen and Breese-Iverson, and members of the House Committee on Housing and Homelessness,

Thank you for the opportunity to provide testimony in support of HB 3746. For background, Oregon REALTORS® is an industry association comprised of roughly 18,000 members who work as real estate brokers, principal real estate brokers, real estate property managers, and affiliated industry professionals.

HB 3746 would make needed changes to Oregon’s construction defect liability laws to help increase the production of new condominiums. This is important because condominium units provide a more affordable entry to homeownership than other owner-occupied housing types.

According to an [October 2024 report from Common Sense Institute Oregon](#), in 2023, the median price of a single family home in the Portland Metro area was roughly \$552,460 compared to just \$341,000 for a median priced condo. This report also found that annual condominium unit production in Oregon fell dramatically between 2006 and 2023, from 4,199 units in 2006 to just 309 units in 2023. This represents a decrease of 92%.

Fortunately, there are things we can do to increase condominium production. For example, in Colorado, changes to state policy that reduced risk for developers resulted in a 112% increase in condo production within just one year after the changes were adopted.¹

HB 3746 would reduce the period during which a developer is liable for construction defects from 10 years to six years. It would also create a “right to remedy” for developers to correct identified defects, at no cost to the unit owners, to prevent the need for lengthy and costly litigation to address a defect. If this “right to remedy” off-ramp fails, litigation is still an option. Finally, HB 3746 would require a simple majority approval of all owners in order for an association of unit owners or homeowners association to initiate litigation on behalf of its residents.

HB 3746 will help the State of Oregon effectively address our state’s housing crisis by ensuring that there is a feasible pathway for the development of condominiums, which are currently underrepresented in our state’s housing mix.

Oregon REALTORS® urges you to vote YES on HB 3746.

Thank you for your time and consideration of our testimony.

¹ <https://www.sightline.org/2019/01/09/modifications-to-washingtons-condo-law-could-give-production-a-shot-in-the-arm/>