MULTIFAMILY NW
The Association Promoting Quality Rental Housing

Oregon Senate Committee on Housing and Development
900 Court St. NE
Salem Oregon 97301

**RE: Opposition to SB 722**

March 11, 2025

Chair Pham, Vice Chair Anderson, Members of the Committee,

On behalf of Multifamily NW, thank you for the opportunity to raise serious concern around the provisions included in SB 722. The bill has several highly problematic elements that must be addressed.

Multifamily NW is the largest association of housing providers in the state, representing nearly 300,000 units and every profession related to the industry — from property managers and owners to landscapers, maintenance professionals and screening companies. Our top priority is to collaborate with public sector leaders to identify and implement proven solutions to Oregon's ongoing housing crisis.

While we share the goal of ensuring fair and affordable housing, we believe that SB 722, as currently drafted, will have unintended consequences that could exacerbate the housing challenges our state faces.

**Banning Revenue Management Software for Law-Abiding Housing Providers**

Housing providers are not using revenue management software to engage in price fixing. These tools, which have been in use since the early 2000s, serve as a critical resource for managing the complex task of pricing units with varying lease terms, unit types, and market conditions. The idea that such software is responsible for artificially inflating rents is simply not true. Rents increase when there is a lack of supply, which Oregon has well-known challenges with.

Revenue management software does not dictate rental rates — it provides data-driven recommendations that housing providers can choose to accept, adjust, or ignore based on their own market expertise. If a software-generated estimate appears too high or too low, housing providers routinely override it in favor of a rate that better reflects local conditions. Unlike subjective pricing strategies, these tools rely solely on objective market factors rather than any tenant characteristics, ensuring a fair and transparent approach to rental pricing.

**Disincentivizing Housing Production**

Senate Bill 722 also proposes to shorten the rent cap exemption for new rental housing from 15 years to just 7 years. This change would significantly undermine the financial viability of new housing projects. Developers must recoup their investments, and without a sufficient exemption period, they will be forced to set higher initial rents to recover costs more quickly.

EXECUTIVE DIRECTOR
Gary Fisher
gary@multifamilynw.org

Rather than promoting affordability, this shift will lead to higher upfront costs for tenants and discourage developers from taking on much-needed housing projects. Given Oregon's goal of building 36,000 new housing units per year, any policy that disincentivizes development will push us further away from meeting our state's housing needs.

The financial reality of multifamily development also means that projects must meet certain cash flow and occupancy requirements to secure financing. Lenders evaluate commercial buildings based on their revenue potential, and shorter financial timelines — such as a 7-year rent cap exemption rather than a 15-year window — make it harder to secure new investment. If rents have not grown sufficiently to meet lender valuation thresholds, developers may struggle to refinance their projects, leading to financial instability or even project cancellations.

**Focus Must be on Preventing Housing Shortages and Rent Increases**

In a time when Oregon is already facing a severe housing shortage, policies that make new development riskier and less attractive should be avoided at all costs.

Rather than restricting essential management tools and imposing shorter financial timelines that could stall housing production, Oregon should focus on policies that promote long-term investment in housing and encourage new development.

Sincerely,

Zach Lindahl