

Submitter: Susan Tokarz-Krauss  
On Behalf Of:  
Committee: Senate Committee On Housing and Development  
Measure, Appointment or Topic: SB722  
Removing/Limiting Rent Control Exemption for New Construction

Sometimes one thinks that by doing a certain thing for good reasons the outcome will also be good, but often the outcome is disastrous. SB722 seeks to break down barriers but builds them instead. The barriers built will cause builders and investors to NOT build badly needed housing units. Without an in-depth knowledge of the housing market, you cannot possibly make a truly good and well-informed decision. The rental rate caps when put in place caused landlords to sell rather than to continue renting. That well-intentioned but flawed regulation has cost this state at least 30% of what could have been viable rental housing. This should not be a "party line" decision. Limiting the tools a landlord has to maintain parity and provide a fair rental rate is just wrong. If you are truly trying to enhance housing numbers by creating stand alone, duplex or apartment dwellings, INCENTIVIZE. SB 722 creates barriers to the goal you seem to seek. The legislature should not eliminate or reduce the 15-year exemption on rent control for new construction. The exemption is the only feature of Oregon law that mitigates the well-documented negative impacts that rent control has on the construction of new rental units. Apartment construction is experiencing a historic slump. While Oregon is on pace to build a total of 14,000 housing units this year, that number is less than half what's needed to meet state targets.

The legislature should be doing everything it can to incentivize the construction of new apartment units, not putting up more barriers.

Barriers and "unintended?" consequences of prohibiting Software to inform Rental unit pricing:

Prohibiting Landlords from Using Software to Inform Rental Unit Pricing is not only intrusive and over-stepping on the states part, but the ban in SB 722 is confusing and landlords will not know how to comply with it.

The bill's definitions of "nonpublic competitor data" is unclear and likely sweeps in commonly available rental pricing estimate software used by large and small landlords alike.

The bill makes what is an essential part of business—using data to inform sound decision-making—unlawful.

Landlords will be exposed to expensive, time-consuming, and frivolous lawsuits from tenants.

Under the bill, lawyers, judges, landlords, and tenants will be in court arguing over which factors a landlord "based" their rental pricing decisions on. It will be a total mess for all those involved.

Rents become more affordable by building more rental units, not by banning software.