

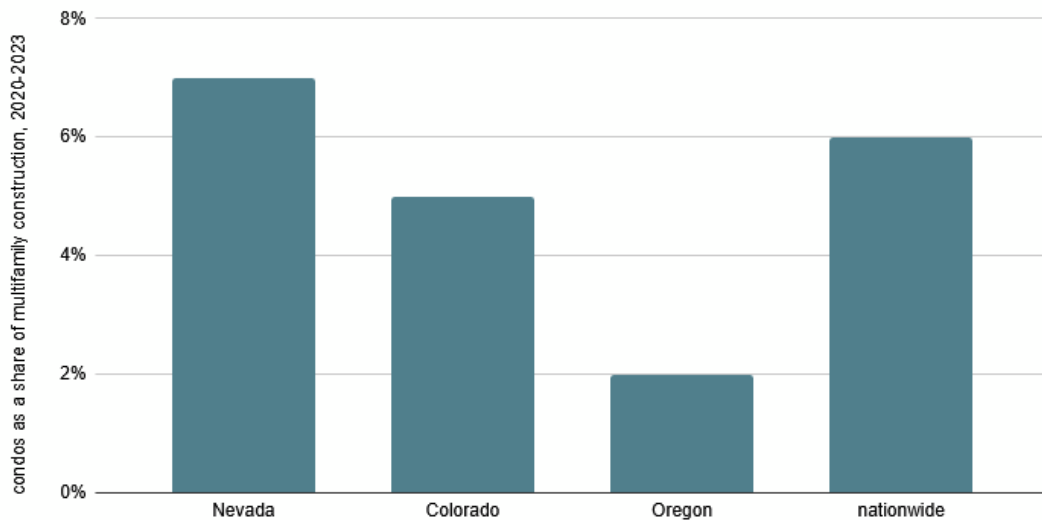
Chair Marsh, Vice-Chairs Breese-Iverson and Andersen, and members of the committee,

Sightline Institute is an independent, nonpartisan think tank working to make the Pacific Northwest a global model of sustainability. I work on our housing program, looking for ways we can affordably and efficiently house every Oregonian.

As part of Sightline’s support for HB 3746-3, I am sharing some figures in response to arguments made by its opponents. Many legislators have now heard the claim that Colorado and Nevada “have not seen the construction boom they were promised” after reducing their own statutes of repose for condo defect liability.

Let’s look at this anecdotal claim in a broader context. To begin with: Oregon can only dream of the condo construction rates currently seen in Colorado and Nevada, these alleged stories of failure.

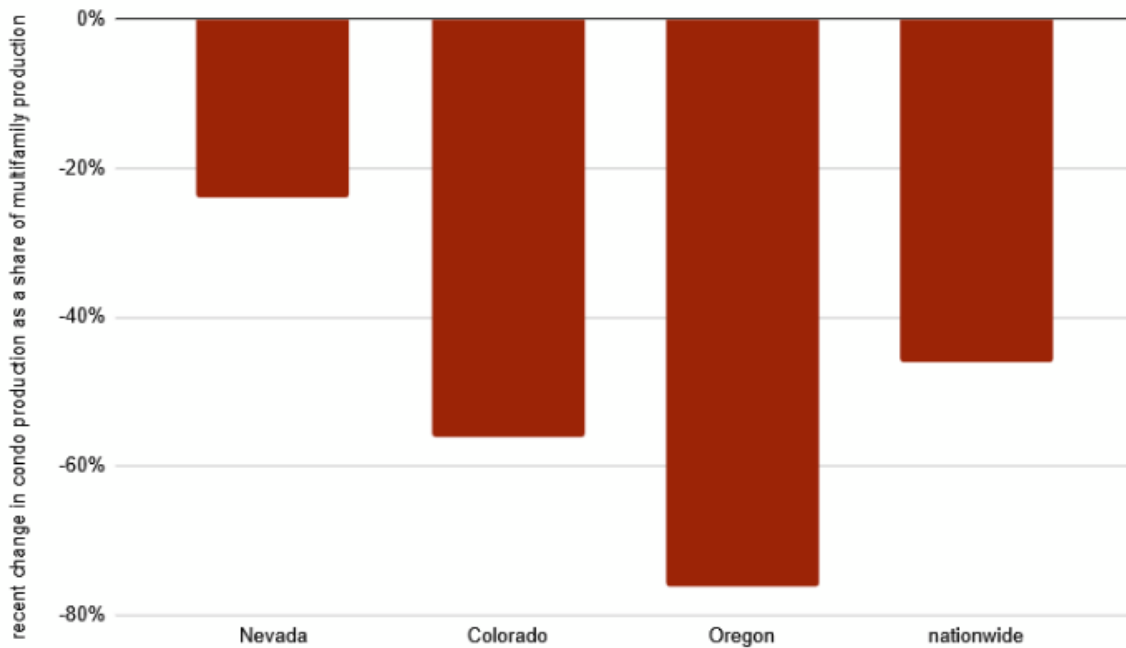
Oregon greatly underperforms peer states and the nation on condo production.



source: Census ACS, table B25127

Secondly: Condo construction has declined nationwide over the last 20 years, for multiple reasons that include but are not limited to the cost of defect liability lawsuits and insurance. But it has declined more sharply in Oregon than either the nationwide average, or in Colorado and Nevada.

Condos have been falling nationwide as a share of multifamily construction, but faster in Oregon.



Source: Census ACS, table B25127. Compares buildings constructed in 2000-2019 and 2020-23.

For every state where we wish condos had taken off more, like Colorado, there's a state like Massachusetts that has had a 6-year statute for many years and has a healthy condo construction industry. Of course statutes of repose are not the only thing that matters, and they're not the only thing in this bill; for example, Colorado's effort lacked the right to repair and informed consent provisions that are in 3746-3.

One of the uncomfortable facts about our housing shortage is that it is going to require us to change the status quo. And unfortunately, we cannot change the status quo without changing the status quo. This doesn't mean we should make every possible change; and appropriately, HB 3746 does not propose radical change. Instead, it strikes a sensible balance between competing goals.

Michael Andersen
director, cities + towns