

Submitter: Benjamin Roche

On Behalf Of:

Committee: Senate Committee On Housing and Development

Measure, Appointment or Topic: HB3054

Regarding HB 3054:

While this may seem beneficial at first glance, it poses significant threats to the housing market and community investments.

I urge a NO vote on this bill for the following reasons:

Increased Rents: By capping rent increases, the bill inadvertently pressures landlords to raise rents to the maximum allowable limit annually, leading to higher overall rent levels.

Reduced Investment in Supply: The restrictions on rent increases and sales conditions discourage new investments in housing supply. Landlords and developers may find it financially unfeasible to invest in or expand housing facilities, exacerbating the housing shortage.

Limiting market-driven rents, as proposed in House Bill 3054, can have a detrimental impact on a community's investment in infrastructure improvements, leading to a further decline in the quality and sustainability of the community.

Reduced Revenue for Landlords: By capping rent increases, landlords face reduced revenue streams. This financial constraint limits their ability to reinvest in property maintenance and infrastructure improvements. Over time, this can lead to deteriorating living conditions as necessary repairs and upgrades are deferred or ignored.

Disincentive for Upgrades: When landlords are unable to adjust rents to reflect the true market value, they lack the incentive to invest in significant infrastructure upgrades. This includes essential improvements such as plumbing, electrical systems, and energy efficiency measures, which are crucial for maintaining safe and livable housing conditions.

Stagnation of Community Development: Infrastructure improvements are vital for the growth and development of any community. They attract new residents, businesses, and investments. However, when rent controls limit the financial viability of such investments, communities may experience stagnation, with outdated facilities and amenities failing to meet the needs of residents.

Erosion of Property Values: As infrastructure deteriorates and community amenities decline, property values can erode. This not only affects landlords but also impacts homeowners and the broader community, reducing the overall economic vitality and attractiveness of the area.

Long-term Decline: Over time, the lack of investment in infrastructure can lead to a cycle of decline, where deteriorating conditions drive away potential residents and investors, further exacerbating the housing supply shortage and affordability crisis.

In summary, while rent control aims to protect tenants from sudden rent hikes, it inadvertently hampers the financial capacity and motivation of landlords to invest in necessary infrastructure improvements. This can lead to a decline in community quality and sustainability, ultimately harming the very residents it seeks to protect. Therefore, it is crucial to consider policies that balance tenant protection with incentives for property and community development.

House Bill 3054, while well-intentioned, ultimately undermines the very goals it seeks to achieve by creating barriers to investment and improvement in housing communities. Let's focus on solutions that encourage growth and sustainability in the housing market.

Vote NO on House Bill 3054.