

'The Oregonian' Editorial: In a Hole on Housing, Oregon Just Keeps Digging

'The Oregonian' Editorial Board Recommends “No” on HB 3054 – Rent Control/Vacancy Control

By: [The Oregonian Editorial Board](#) (March 23, 2025)

Oregon's first-in-the-nation statewide rent control legislation didn't chase away new housing construction after the Legislature adopted the controversial policy in 2019. But one of the biggest worries for rent-control skeptics has always been if lawmakers would leave well enough alone.

The worry is merited. The law started off with a cap on annual rent increases of 7% plus inflation for buildings 15 years or older. But amid spiking inflation, legislators in 2023 added a proviso that such an increase could not exceed 10%.

[House Bill 3054](#) would allow rent increases no greater than inflation for those living in manufactured home parks while [Senate Bill 722](#) – largely aimed at banning algorithm-based pricing software by rental companies – includes a provision to remove the rent cap exemption for buildings older than seven years old. Although both stem from good intentions, these short-term Band-Aids carry negative long-term consequences – most notably, a message that the developers and investors needed to reverse the state's housing deficit should just steer clear of Oregon.

To be fair, legislators are understandably trying to respond to the urgent needs of constituents, many of whom are already struggling to make rent. HB 3054 addresses a particularly vulnerable group – people who own their manufactured homes, but pay rent to the owner of the manufactured home community where they live.

They don't have the option of easily picking up and moving when faced with the large rent hikes that corporate owners regularly pass along, said Rep. Pam Marsh, D-Southern Jackson County, one of the bill's chief sponsors. And manufactured homes provide a vital source of affordable housing in a state that needs every bit it can get.

But clamping down on allowable rent also squeezes the mom-and-pop operations that have long tried to keep increases down but are facing soaring insurance, utility charges, maintenance costs and property tax expenses. The likely result? [Many](#) have [testified](#) that they may end up selling to those same corporate operators or to developers eager for the underlying land – but not the manufactured homes.

SB 722 is less targeted and could ultimately have a broader, negative impact on Oregon's housing market if it goes through unamended. Currently, Oregon exempts new apartment buildings less than 15 years old from the statewide rent cap, giving investors more confidence about taking on the financial risk of new construction. The bill calls for slashing that exemption period to only seven years – a cut that could dramatically change the value of a building and, with it, the financial calculus for investors and developers.

However, rather than tailor solutions to the problems – perhaps by increasing funding for targeted rent assistance – both bills double down on a law that has received little analysis of its impact on Oregonians. The rent stabilization law, [Senate Bill 608](#), was the first statewide rent control legislation in the country. While outside economists have looked at overall trends, the state has commissioned no review of its effects, the governor's spokeswoman acknowledged. Such a new approach to addressing our years-old housing crisis [should merit far more curiosity and scrutiny](#) than it has.

Anecdotally, however, Oregonians have shared stories of rent hikes that now routinely match the cap, Marsh said. It's as if the cap has simply become the default – a relatively unsurprising reaction in a market where the state controls the price someone can set, regardless of any change in underlying costs.

Both Marsh and Sen. Chris Gorsek, D-Gresham and a chief sponsor of SB 722, told the editorial board they are considering amendments to their bills to address concerns. Marsh is looking at exempting smaller manufactured home communities in an effort to direct the restrictions to larger corporate owners. Gorsek's bill has two amendments under consideration – one that shortens the exemption period to buildings 10 years and older and a second that drops any change to the exemption. Legislators would be wise to adopt the latter option immediately.

But even if that occurs, legislators must acknowledge that they are broadcasting that Oregon is an unreliable place to do business as its lawmakers don't grasp or don't care about the financial considerations that go into making long-term multimillion-dollar investments. Instead, hasty legislation and the lack of any state analysis of how rent stabilization has affected rents reinforces a sense that Oregon governs by feel.

No rent cap, no matter how low, will add the hundreds of thousands of new housing units needed over the next decade. State and local government, despite devoting hundreds of millions of dollars in the past few years to affordable housing construction, can barely make a dent in the hundreds of thousands of units that Oregon must add in the next decade.

Instead, legislators' reflex is to continually clamp down on what rent stabilization allows. So far, based on comparisons to Washington state, Oregon's existing 10% cap appears not to have chased away development, economist Mike Wilkerson said. But shifts on that front could easily change the equation.

"This slippery slope is what will actually make investors leery," he said, adding that they will do "what every rational person is going to do – assume that's going to continue."

Oregon's elected leaders should recognize that tighter rent stabilization provisions won't lead Oregon out of our housing deficit. It will only dig the hole deeper.

-The Oregonian/OregonLive Editorial Board