

Mid-Oregon Property Management

715 S Fifth street, PO Box A, Madras, OR 97741
541-475-6237 or midoregonproperty@gmail.com

March 1, 2017

Re: HB2004

Limited supply and high demand raise prices of any product, residential rental housing included. During the last recession, rents were lowered throughout Jefferson County, as homeowners and renters lost their jobs and were forced to relocate elsewhere. Vacant housing was readily available. It was a tenant's market.

For the past several years, there has been very little new construction, and the vacant inventory has been absorbed. As communities grow – through growing families as well as new residents – available inventory shrank. Thus we are experiencing a housing crunch. More inventory is needed. As supply increases, competition will lower prices. It is the rule of supply and demand.

My clients are small investors – many using the avenue of rental real estate to either plan for their retirements or supplement their retirement income. Until recently, it has been one of the few investments where a 4-5% annual return could be potentially realized. Leaving money in the bank doesn't earn enough to even keep up with inflation. Until recently, the stock market hasn't been much better. (Although it has done well since the election.)

HB 2004 discourages investors from owning residential rental real estate by increasing risk and increasing costs. It makes it more expensive to conduct extensive upgrades, to sell the property or for the owner to move back in themselves. It increases exposure to bad tenants. It certainly makes the stock market appear a more attractive alternative.

We need to encourage investment, both large and small scale, in residential rental properties. Only by increasing available inventory will our housing crunch subside. I encourage a "NO" vote for this bill.

Sharon Brackett, CRS, GRI
Principal Broker
Mid-Oregon Property Management