

To: Senate Committee

Re: HB-2004

My wife, Kathie, and I are what you would call “mom and pop” investors. We own and self-manage 15 rental homes in Eugene. Many of these we had built as part of a development of small cottages to meet the need for smaller more affordable homes.

We opposed House Bill 2004 and amendments as proposed for several reasons:

1 – This is rent control pure and simple. Rent control is ineffective at solving the lack of supply in rental markets. This has been proven over a 40 year period nationwide and has been documented by many experts including a real estate professor at Portland State University. It can cause owners of rental property to sell as well as shrinking the pool of investors who would consider building new units. In short, though well intentioned, **passage of HB-2004 will have the effect of exacerbating the main culprit in any housing crisis which is supply.**

2 – Removing a property owner’s ability to issue a no cause termination will have a chilling effect on our most vulnerable tenants. I know that landlord’s will be much less willing to take a chance on a marginal tenant w/out this ability. In our 19 years of renting to many, many wonderful tenants we have used it only once, to remove a tenant who had grown increasingly hostile (especially toward my wife) and problematic to all of his surrounding neighbors. The notice was used as a last resort to make the transition the least damaging to his credit (and thus his ability to rent elsewhere), the least painful to his pride and frankly for the safety of my wife and others. On the other side, **knowing we have this tool to use as a last resort has allowed us to take a chance on some marginal applicants in the past, many of whom turned out to be wonderful, happy and satisfied neighbors and tenants.**

3 – The idea that property owners should pay “relocation costs” to a tenant is unfair on many levels. A 90 day notice is more than sufficient to allow time to plan for a move. We have a contract with each of our tenants that we all agreed to. The state should not be in the business of changing existing contracts and it is disingenuous to attempt to shift a temporary housing shortage problem onto the backs of all property owners’ especially smaller players. This truly seems like a punitive piece of legislation and not something designed to address the larger problem of housing supply in our communities. **Making this sweeping change will unnecessarily burden all property owners but particularly the ones that offer the most affordable housing to tenants as they often have the thinnest margins and largest expenses.** I understand some areas of the state are experiencing a very tight rental market currently but that is not the case in all areas. We recently had a nearly new, clean, well-priced home vacant for 6 weeks. If this were a true “crisis” I do not believe an experienced property manager with a very nice home in a sought-after location would experience 6 weeks of vacancy. Clearly, not all areas have been impacted by the same lack of supply that Portland is experiencing.

If we were to sell our rental homes, under this bill, it would require us to enrich our current tenants in added "relocation fees". It has taken 10 years to complete our small rental project and all of our saving including our retirement accounts to survive the recession and complete it. We did not turn a profit for 10 years and only now are we finally in the black, albeit slightly. This would be especially hurtful to our family and our retirement after all we've gone through to survive the recession. When we built these small homes part of our plan was to eventually move our aging mother's into two of the homes at some point. It is simply not right that we should be punished w/a "relocation fee" at the end of a lease to provide for our elderly mothers.

In conclusion I understand that legislators are trying to help tenants in a tight market. Those who are most vulnerable deserve our help and attention the most. **This bill, as proposed, is a flawed approach and will likely have the unintended consequence of reducing supply even further. As further proof of this my wife and I just sold a rental home we owned at 2435 Nixon st in Eugene and are exchanging into a property in Denver, CO. Our decision to sell was based on the *threat* of this bill passing. If it actually passes many landlords, like ourselves, will sell to home buyers further reducing the supply of rental units.**

Thank you for your consideration.

A handwritten signature in black ink, appearing to read "Eric Lundberg", with a long, sweeping horizontal stroke extending to the right.

Eric Lundberg

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