

## **Mid-Oregon Property Management**

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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

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As an added note, thus far I have had three property owners decide to place their single family rental homes on the market for sale as a direct result of this pending legislation. That is three less available units in just a few short days. This pending legislation has already started to restrict supply.

***Sharon Brackett, CRS***

Principal Broker

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Licensed in the State of Oregon

***\*\* Oregon Agency Disclosure Pamphlet***

<http://www.oregonrealtors.org/legal/disclosurepamphlet.html>

***\*\*\* Oregon Buyers Advisory Pamphlet***

<http://www.oregonrealtors.org/.docs/pg/10421>