

Rosenberg Corey

From: Malcolm McIver <mmciver@commerceproperties.com>
Sent: Wednesday, May 03, 2017 4:19 PM
To: SHS Exhibits
Subject: HB 2004-A Testimony

Hello,

Please find below my testimony against HB 2004-A.

Good afternoon. My name is Malcolm McIver and I am President of Commerce Properties. Our company owns and manages apartments in Portland, Beaverton and Tigard. Thank you very much for the chance to speak on this very important issue.

I testified at the House hearings on this bill in March and was struck by how much both sides agree. The supporters of HB 2004, then and today, raise some very valid points. People should have well-maintained apartments. Rents should not skyrocket to a level where it is difficult to make ends meet. Oregon's housing shortage hits hardest those who can least afford it. It is a crisis and we need to solve it.

The problem is that HB 2004 will make the crisis worse. Over the past seven decades, since New York City first introduced rent control in 1943, we have seen how it affects housing stock. It inevitably results in less and worse housing. That is why Oregon banned rent control 30 years ago. To my mind, using rent control to solve a housing crisis is like telling doctors to prescribe mercury for cancer treatment. It is a debunked therapy that just makes the patient sicker.

So what is the solution? A policy that has proved effective time and again is to create an environment friendly to development of housing. Now, some people will object to this. "Why should we be helping those greedy developers? They are making too much already!" Well, I will share a secret with you. Developers always overbuild. It is in our nature. We can't help it. And, every time we do it, rents fall.

Yet, in Oregon, we make it extremely hard to build housing. We layer charge after charge on new development. Most egregiously, we treat Urban Growth Boundaries as wall past which development shall not pass, setting aside land to grow grass seed instead of to house people. If you have a well paying job, it is great. You get to see all this pretty land as you drive to the beach. If you are middle class or below, though, you struggle to find someplace to rent or buy and worry what will happen when your children grow up. It is not right and we need to change it.

The solution to Oregon's crisis is more supply, not a bill that will shrink incentives to build housing and deprive property owners of the funds to maintain existing apartments. Please vote against HB 2004.

Thank you.

Thanks for accepting this testimony!

Malcolm McIver



