

Rosenberg Corey

From: Kris Bond <kris_97303@yahoo.com>
Sent: Wednesday, May 03, 2017 11:05 AM
To: SHS Exhibits
Subject: HB 2004

Honorable Chair Gelser, Vice Chair Olsen and Members of the committee:

As a Residential Landlord, I make a positive and valuable contribution to our community by providing affordable, safe and well-maintained rental homes. My properties provide an opportunity for families to integrate into a neighborhood where they might find commonality and community, when they otherwise might be compelled to seek accommodation in less suitable or stable environs.

HB2004 will damage the humane and healthy relationship I have with my tenants. I have found that by managing my properties myself I have been able to keep rents reasonable and work with tenants when they are having difficulties (financially or otherwise). Passing this bill will force me to hire a management company which has expertise in the legal regulations governing tenants and landlords, but is obviously less flexible.

Professional property managers track cost trends and can be focused on drawing every possible penny out of the property. They are paid a percentage of the overall rent collected, and receive all or part of fines collected. In contrast, I derive a portion of my benefit by my pride in the properties I own and manage. Raising rents is a hassle and sometimes causes renters to move. Vacancies are very expensive and as an individual owner, cause me a lot of personal work. Fines are tricky and if used incorrectly can end up being costly to me. As an individual owner I am disinclined to use fines. In contrast, the business of a rental management company is filling vacancies and drawing the highest rent possible. They have established relationships with tradesmen. Filling vacancies is certainly less daunting to them. They are experts at landlord/tenant law. These differences are reflected in differing motivation and frankly, using a property management firm will not benefit my renters. Hiring a management company will raise the cost of doing business and force the annual raising of rents, despite my record of rarely raising rents over the past 20 years.

Another option I will have to consider is selling my rentals in Oregon and moving my business out of state. There are many properties and Property Management Companies elsewhere competing for investor's business. Many are located in more stable business environments than Oregon has to offer. Those environments are more likely to remain stable in an economic downturn, and may be a safer investment. If I am going to lose the benefits of personally managing my investments, I must consider selling my properties and moving my business out of state. My tenants may lose their homes, or at best may have to endure rent increases by a new owner and the complexity of establishing a new relationship with a new owner.

Finally, I would like to encourage you to look at the track record of "Rent Stabilization" legislation. This regulation has often proven to be unsuccessful in maintaining lower costs. Furthermore rental stabilization and eviction management requires some sort of enforcement.

The types and levels of enforcement must be considered and budgeted. The cost of creation of such regulatory boards may be unrealistic for moderately sized municipalities, and may be completely out of reach for the small municipalities located in Oregon. However, the stigma of "Rent Control" will, even without local legislation and enforcement, influence the value of rental properties and the flow of investment dollars for the development of future housing. A lack of more units will certainly result in rising rental prices.

I humbly ask that in the interest of good public policy and to maintain the tradition of small investor rentals, that you oppose this bill.

Sincerely,

John Lawton
Salem, Oregon

Cc: Honorable Peter Courtney