

Rosenberg Corey

From: Christopher Schwindt <chris@cds-enterprise.com>
Sent: Thursday, May 04, 2017 2:01 PM
To: SHS Exhibits
Subject: NO to HB2004A

Please accept these written comments on this bill:

- 1) No-cause eviction provides a simple and non-litigious way to end tenancy and maintain control over one's property. Real property is a valuable asset, and tenants are entrusted with its care for extended periods of time. Not all tenants are willing or able to take care of property or be good neighbors. The law provides a mechanism of for-cause evictions in certain clear and egregious cases, however, property value and other values such as landlord time and peace of mind can be significantly impaired by problem tenants who may not be subject to a for-cause eviction. Additionally, for-cause evictions are by their nature typically contentious, meaning they will most always be handled by attorneys and require court action. This is a substantial cost to all taxpayers to provide the court as a venue for resolution of nearly all evictions when there is no longer a no-cause option.
- 2) Landlords earn and pay dearly for their properties in money and management time and efforts. They deserve to maintain control over their ownership. Removing the right to evict temporary occupants (tenants) without specific legal cause removes a significant stick from the bundle of sticks constituting real property ownership. Landlords will be forced to screen tenants much more vigorously than they might otherwise do. Qualifications for renters will become much more vigorous. This will exacerbate the housing crisis significantly for anyone with marginal income, bruised credit, pets, or any other non-protected class criteria that might be deemed undesirable. Landlords will not have the option to just give these folks a chance, as the stakes will be much higher without any option to evict short of legal cause and action, with related expense.
- 3) Rent control is price control. Price controls distort the market and the market signals private parties and enterprise rely on to keep supply and demand in balance. Rent control measures will create a major disincentive to rental housing development and investment due to uncertainties and reduction in profit potential. Rent control units benefit only a very small segment of the total existing and potential future tenant base, i.e., those with already established tenancies in units subject to said controls. These measures also create a major disincentive to maintenance and upgrades to units where return on such investment is prohibited or capped. Centralized control of economic activity such as rental real estate never "works" the way it may be intended. It distorts incentives and market signals which would otherwise be (and presently are) acting to meet the additional demand for housing.

It may appear to short-sighted observers or those new to the game that some landlords are simply "profiteering" off the backs of the poorer, downtrodden laboring tenant classes; however, no one sheds any tears when market cycles reverse and landlords take significant losses, suffer high vacancy rates, bad tenants trashing places, increased operating costs, etc. Oregon already has a landlord-tenant law framework with many tenant-favored protections in place. This knee-jerk reactionary type legislation is going to cause long-term structural problems regardless of any short-term populist points they put on the board.

Sincerely,

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