

Rosenberg Corey

From: Mike Martin <mike@midoregonlending.com>
Sent: Thursday, May 04, 2017 11:42 AM
To: SHS Exhibits
Subject: HB 2004-A with possible solution

Thank you for your hard work. Due to location I was not able to attend recent hearings on HB 2004 and would like you to consider the following in lieu of testimony. I am a landlord in Deschutes, Multnomah and Crook counties and a voter in Deschutes, I urge you to oppose HB 2004-A

I want to provide a solution to HB 2004-A for no cause evictions that will be a compromise but will help all parties. From what I have read a lot of the concern and uproar against no cause evictions is due to multiple unit landlords clearing out an entire complex. My solution would be to limit landlords on the number of units per year they can serve no cause terminations. A reasonable solution would be 10% of units or if less than 10 units owned one unit per year. The desire is to increase people's ability to find housing. Punitive legislation against landlords will result in fewer available rental properties in Oregon. Please don't submit changes that will discourage landlords.

Background -

Removing the no cause option will result in me personally not taking risks on marginal tenants that in the past have turned out to be good tenants. Restricting landlords' tools, such as the removal of the no cause termination, will discourage future new landlords. We need to do everything possible to encourage all levels of expansion of rental units, with more supply rents will drop and landlords will not want to terminate with no cause. Landlords drop rents fast when their units remain vacant or are slow to fill, this occurred in the economic downturn. A smart landlord knows missing a month's rent while fishing for \$50-\$100 extra in rent takes a long time to recover so they drop rent fast if supply is out of balance. The vast majority of landlords have never used a no cause termination.

I own 13 units in 3 Multnomah, Deschutes and Crook Counties and have many tenants thank me repeatedly for being a great and fair landlord. I take any no cause termination seriously and with long consideration, I have only had to issue one and it could have easily been a for cause, multiple neighbors told me horrible stories about the actions of this tenant that was removed with a no cause. Most landlords do a good job. The bad apples get a ton of press. Please assist the good landlords with reasonable policies. In our state the rate of return for rentals given their cost lags as compared to many states. Landlords will move investment to other states if they see better opportunity. Restrictive landlord/tenant laws will be a factor.

From another perspective I work as a mortgage loan officer. The number one concern and reason qualified potential buyers of rental property give for not proceeding is concern of handling a bad tenant. They fear that there is no way to remove a bad tenant because the courts will favor the tenant even when they are destructive. When I explain there is a no cause termination option it overcomes this objection and results in a client moving forward with a rental home purchase that would not have without the option of the no cause termination. Of these clients it is still rare for any of them to ever use the no cause termination. Knowing they have the option allows them to proceed with the investment.

Please thoughtfully consider a more balanced solution to HB 2004. Most landlords do a good job. The bad apples get a ton of press. Please assist the good landlords with reasonable policies.

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