

Dear Members of the Senate Committee on Housing,

I am writing today in opposition to SB 608, which would introduce statewide rent control in Oregon. Rent control has been tried repeatedly over the past century. It is a reliable way to:

1. Starve rental properties of the funds necessary for their maintenance, leading to long term degradation of housing stock.
2. Discourage creation of new rental housing.
3. Create a favored class of renters who have rent-controlled units and enjoy below market prices, regardless of their socioeconomic level.

The company where I work, Commerce Properties, has about 780 apartment units in the Portland area. We own for the long term and enjoy being part of the communities where we operate. It seems some people believe property owners just sit back and collect rent checks. We can assure you that it takes considerable effort and money to maintain housing. We just completed a \$10 million renovation at one building to replace failing windows and repair exterior walls. We are preparing to spend another \$8 million to repipe a 70 year-old tower in downtown Portland. Rent control would deprive owners like us of the funds to keep buildings habitable as they age. The result would be an increasing amount of decrepit apartments across our state.

Proponents of rent control say Oregon's housing affordability problem is "man-made", by which they mean greedy property owners charging too much rent. I agree that it is man-made, but in a different way. Overly restrictive growth boundaries, imposed by the statewide planning process, artificially inflate the cost of land for housing. Systems Development Charges, imposed by municipalities and often divorced from the actual cost of development, drive up the cost of building new housing. The legislature, counties and cities could lower housing costs by addressing these two fundamental problems with Oregon's current system. Rent control, on the other hand, will do nothing but make housing even less accessible, particularly to people with lower incomes.

I urge you to vote against SB 608 and work instead to promote policies that would increase the supply of rental housing in Oregon.

Sincerely,

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