

**From:**  
**To:** [Exhibits SHOUS](#)  
**Subject:** opposition to SB608  
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February 2, 2019

Sent via EMAIL

Dear Politicians

I am writing to urge you to **oppose SB 608**.

A regulated rental market will prevent normal market corrections and will deflate housing values, degrade the housing stock, and will ultimately result in higher rents.

Tenants with below market rents will have no incentive to move, and those units will be withdrawn from the open market. At the same time owners will not have the income to make improvements on their buildings, and the buildings will be poorly maintained.

Rent controlled apartments will be passed between family members, friends, and roommates so the lower priced housing stock will be essentially off the market.

Available new units will sky rocket in rent so that only high earning tenants will be able to afford them.

This proposal will essentially gut the rental market as it has in NYC and the Bay Area.

I've lived in both cities and can say first hand that rent control is an inequitable process with undercuts all fair market forces.

If politicians are concerned about rent increases, efforts should focus on a public sector approach to housing subsidizes.

An increase in housing vouchers such as the Home Forward program would allow lower income Oregonians to meet market rents while leaving market forces in tact. This would also preserve a fluid rental market as Home Forward participants can apply their vouchers to any apartment and are not required to stay in one unit in order to maintain their vouches.

**Housing is a public issue that cannot be solved effectively by forcing the private sector to subsidize the market.**

To do so will create a split housing market of under market rent controlled apartments and high priced new units. The real estate industry, construction industry, and all the affiliate businesses will suffer significant losses. The value of real estate will plummet, as investors would have no reason invest in real estate in Oregon. Oregon property will become illiquid.

If this proposal passes, you can expect devastating effects on the state economy. There will be no incentive to invest in Oregon properties, build residential units in Oregon, or maintain existing residential buildings in Oregon. The rental pool will become divided just as it is in NYC and San Francisco with below market units never reaching the open market as they are turned into perpetual sublets and passed between friends and families for generations.

However unlike New York City and San Francisco, Oregon's largest cities do not have the strong international business base to maintain value through appreciation when the buildings do not cash flow. Multifamily property in Oregon will become worthless. Put simply, SB 608 will destroy the value of multifamily real estate in Oregon.

As for eliminating no cause notice to vacate tenants, if property owners are not permitted to vacate tenants, the real estate market will become stagnant, owners will be forced to accept

problematic tenants as long as they pay their rent, and owners will not have the ability to upgrade the interior of the properties. Owners must be able to vacate tenants to execute repairs and improvements that cannot be achieved while the units are occupied.

Owners must have some autonomy about how their investment is managed. Owners must be permitted to end a lease agreement at the end of the term just as Tenants can. By its nature a lease agreement is an agreement to occupy for a fixed period of time. It is a contract that both parties must abide by. To institute a law by which one party to the agreement can break the agreement at anytime with no penalties but the other party has to abide by the agreement in perpetuity clearly divests the property owner of their rights. **This is, in a sense, a government seizure.**

By allowing normal market forces to apply, rents will adjust naturally to appropriate levels. Please put your efforts into working with the building owners, developers, landlords, and affordable housing organizations to work towards solutions that will assist Oregonians in need without destroying our economy beyond repairs.

Please confirm with an e-mail to [LHL@teleport.com](mailto:LHL@teleport.com) that you have received this letter.

Sincerely,

Lisa Long