



May 13, 2019

**Testimony on HB 3432**

Our collective goal should be to make home buying for middle income families more affordable. Owning a home is a great path for people to generate wealth. Without homebuying options, it is difficult to get on this path to wealth.

Condominiums are an attractive option for both middle income families and first-time home buyers.

Construction defects liability laws are an enormous barrier to those of us in this industry who want to build condos. And these liability laws as currently written are a disincentive to developers whose goal is to produce affordable options in the housing market. They make it harder for financing and increase risk and cost of building.

Condo production in Oregon has virtually stopped and this has caused appreciation to pricing making housing less affordable.

Reducing the 10-year liability to 6 years, plus developers more opportunity to cure and correct defects would increase the possibility that condo production increase.

Reducing the risk to consumers of construction defects should be a top priority and strengthening new special and envelope inspection requirements helps the consumer with more certainty on this risk.

Incentives rather than disincentives to the production of affordable housing must be a goal.

The reduction of the 10-year liability to 6 years would be a great incentive for those of us in the development and construction industry.

We want to plan long term and work with the state and local jurisdictions to meet urgent housing demands and the desire for home ownership.

Thank for your consideration and I'm happy to answer any questions.

A handwritten signature in blue ink, appearing to read 'Patrick H. Kessi'.

Patrick H. Kessi, President