

Submitter: Ryan McGlone

On Behalf Of:

Committee: Senate Committee On Housing and Development

Measure: SB611

Hello, My name is Ryan McGlone, and I've been a real estate professional for 9 years in Central Oregon. I oppose SB 611. I understand that the state and our country has an affordable housing challenge that is incredibly complex and difficult to resolve, but putting greater restrictions on landlords is producing unintended consequences that are only making matters worse. As a real estate broker, I've personally watched as investors pulled their money out of the State of Oregon after the passing of SB 608 a few years back, and re-deployed resources into other States, effectively lowering the supply of available rental housing in my community. I also had to personally help relocate several tenants after the passing of SB 608 as landlords sold their rental homes that were renting under market value, because they lacked the ability to bring their properties up to market rent, and felt that the only way to get out from the pressures imposed by SB608 was to sell the home to an owner occupant. Putting a cap on rental increases also produces unintended consequences. Landlords that were passing over rental increases to keep quality tenants, etc. are not automatically maxing out rent increases each year, because they know that if they do not keep their properties at the top of market rents, they will not be able to catch up down the road, if for some reason they truly do need to bring a property back to market rents. I feel that SB611 will have a similar effect, especially by shifting the rental increase cap exemption on new construction to 3 years, which will once again, put pressure on owners of new construction to max out rental increases, and incentivise investors to look elsewhere when investing in rental housing. The idea of tighter controls on landlords looks good on paper, but the unintended consequences are doing exactly the opposite of what the bill is attempting to accomplish. This is not addressing the root cause of affordable housing and the lack of housing supply, and therefore it should not be passed.

Thank you,
Ryan McGlone