

Submitter: Andrés Oswill

Committee: Senate Committee On Housing and Development

Measure: SB611

Dear Chair Jama and Members of the Committee,

My name is Andrés Oswill. I am a landlord living in Portland, and I am writing today in support of Senate Bill 611.

My partner and I are the landlords of a single family home in Southeast Portland. We bought the home in 2018, pooling together our savings with the help of a family loan and an inheritance. We lived in the home for 3 years before moving in closer to work and began the process of becoming landlords. We decided to manage and operate the rental ourselves, understanding that providing housing for a household would be a part-time job, not a passive investment.

We priced the home according to our mortgage and comparable market units, learned about the rules we'd have to follow, and listed our rental. Our first shock as landlords came from the frenzied response. We priced our home at \$2,400 for a 3-bedroom house with a yard and a basement. Not a bargain, but a reasonable amount given our mortgage and the pricing for other units. We set up two open houses for folks to see the home. By the time we began accepting applications, we had been contacted by more than 50 households, and received 35 applications by the first day.

This experience was surprising, to say the least, but taught us our first big lesson as landlords. Despite what we had been hearing, the rental market remains heavily stacked in a landlord's favor. We had applicants offering us a bribe to accept their application. Another applicant offered to pay a higher rent amount if we selected them. We would have never expected such strong demand based on the stories we had heard from other landlords. We gladly accepted the first applicants who applied, a multigenerational family with pets, and signed our first lease in April of 2021.

Our tenants are good people, and they've taken care of the home better than we have to be honest. They have been easy to communicate with, very responsive, and a far cry from the stories of renters we often hear landlords tell about in testimony. In the first year of tenancy, we had to reinforce a staircase, and completely replace a window frame that had begun to deteriorate. When their lease was up to renew, we sent them a letter letting them know we had to raise the rent to cover the cost of maintenance and upkeep, and would be increasing the rent \$75/month or 3.1%. They were understanding, and appreciated how responsive we had been to their maintenance requests and made sure repairs happened quickly and were done properly.

This past year came with more minor repairs - a heat pump stopped working, and the downstairs shower nozzle sprung a leak, requiring a plumber and a wall patch. Their lease is up in June, and we have already let them know we'll be raising the rent \$50/month or 2% to begin saving for some major repairs needed. The roof will need to be replaced in the next couple

years, and the furnace is expected to give out anytime now. With this new rent increase, we expect to be able to save enough to cover the home equity loan we'll need to replace the roof and furnace.

Our unit is now priced at below market rent for the area. Our taxes have gone up, we've had some months where our tenants haven't been able to pay rent on time, and we are still doing fine. We are collecting enough in rent to cover the mortgage, rental expenses, and begin saving for significant repairs. In 5 years, we have gone from buying a home to becoming landlords with the ability to turn a profit on our rental.

There are a few points I want by sharing our experience with the committee today. The first is to provide a perspective rarely offered in these conversations - that the overwhelming majority of landlords have excellent tenants who are very easy to work with. The second is that it is still very much financially possible for landlords to operate a rental, even with a recently purchased home at a much higher original purchase price than most rentals on the market. The last, and maybe most important point, is to show how easy it is to operate well below the 8% or 3% + CPI rent increase proposed by SB 611.

We cannot envision a scenario where we would need to raise the rent more than 4% in a given year. We know that being a landlord is a privilege, not a right, and that providing housing for people is a responsibility that takes work, not passive retirement income. While I understand that a lower limit on rental increases will be challenging for some small number of landlords, I also know that allowing for egregious rent increases will continue to be untenable for the overwhelming majority of tenants in the state.

As a small landlord, I ask that this committee prioritize the housing stability and financial wellbeing of Oregon's renters over the financial profits of landlords. As landlords, we not only have our own homes, we also own additional housing that we rent for financial profit. Our needs, as businesses, should not be treated with equal importance with the ability of Oregon renters to be able to afford a place to call home without financial hardship.

Please pass SB 611, and recognize that this change is reasonable, needed, and long overdue.

Sincerely,
Andrés Oswill