

Submitter: Michael Hamilton

On Behalf Of:

Committee: Senate Committee On Housing and Development

Measure: SB611

I strongly oppose this bill for the following reasons.

1. Basic economics would demonstrate that limiting upside and increasing operating costs for owners would continue to constrict supply. Why would any investor or landlord build housing if they're being burdened with extra costs? Seems unsensible.

2. I have reviewed several case studies and have yet to identify one that demonstrates rent control restrictions as effective. Why does the state believe this is useful? San Fran and NY are both jurisdictions with similar policies and both have had higher rent increases AFTER because new apartments brought to the market start out at a much higher rate.

3. Based on trickle down economics, the quality of housing will go down as investors need to find ways to create margin, the amount of supply will dry up more than it already has since previous policies were put in place, and surrounding private businesses will take a large impact as market population growth remains stagnant or declines.

Solving a housing problem this way is dangerous and more fundamental economic solutions should be considered and implemented. Supply and demand would argue this bill is backwards and promotes more state and city housing than private investment. These are the types of policies that have ran businesses like Salt & Straw away from Portland, the impact is beyond what it does to landlords and housing. It will continue to yield businesses vacating and renters with less housing options.