

Submitter: Harry Grass  
On Behalf Of: Self  
Committee: Senate Committee On Housing and Development  
Measure: SB611

I am an Oregon resident, residential real estate investor and property manager. In these roles, I am a constituent who pays for government and legislators, I oppose SB611 for the following reasons. But, before that, some background: I am an active 73 year old man, business owner, MBA, and full time worker. I started managing real estate for others when I was 19 and in college. Later in my 20s I began investing in residential real estate. Later, I was a VP of property management for a big developer. My partner and I rehabilitated an old warehouse building into a showroom and office complex and won an AIA Honor Award for the work. I founded a property management company in 2015 and it is significantly successful. I still own rentals.

SB611 is definitely going to put a torrent of cold water on rental property entrepreneurs who are landlords. Oregon will see sell off of houses as owners cash out and throw in the towel being sick of ever-increasing restrictions on how they are allowed to do business. We have seen almost 100% conversion of rental houses to owner occupied when landlords reach the point of utter aggravation with laws that cut profits, force pricing by the government, over compensate for tenants' wishes and behaviors.

The hard, cold reality is that a landlord can take his cash out, go to an S&P 500 Index fund and just sit back and earn just as much without the headaches. It is just not fun anymore and we see our clients frustrated, fed up and exiting the rental business as government mandates surround them at every turn.

And, investment property owners are clever entrepreneurs so the ones that may stay in the game will find ways to maintain profits. It may be neglecting repairs, it may be clawing back tenant services, it may be cutting all kinds of corners which will hurt tenants and degrade quality of residences. The government will never be able to inspect or oversee resident conditions and tenants won't complain for fear of (perceived) retribution.

For god's sake. Let the market operate. Adam Smith --> The Invisible Hand. Incentivize landlords, don't punish them. They provide HOUSING which is what everyone is crying about now.

If you squash landlords, they will squash houses and housing and nobody wins.