

Submitter: Kristy Kummer-Pred
On Behalf Of: independent landlords and property managers
Committee: Senate Committee On Housing and Development
Measure: SB611

I am a small landlord with one home in Tigard & also a licensed property manager overseeing 6 rentals along with 12+ small homeowner associations. I have rented my Tigard home out for nearly 14 years & have been a small business owner doing property management for 7+ years.

We all know housing is difficult – for ourselves, families & as a business. As property management professionals, we have struggled to keep up with continually changing laws that vary city to city, dealing with balancing helping tenants who struggle as well as great tenants that we have to raise rent on just to cover the ever increasing costs for maintenance/repair materials and labor, hiring attorneys to interpret the new continually changing laws and emergency declarations & just the everyday costs of property management. Many great landlords with single properties have sold their houses in Portland, Milwaukie & other cities during & after COVID when it became too costly and stressful to keep them because of the tenant-friendly laws that made it difficult & financially detrimental to be a good landlord.

Recent inflation & regulation has affected everyone's bottom line – I've raised my rates slightly but can only minimally increase that before homeowners can't afford to hire property managers. Then they just sell off their homes rather than dealing with the headaches associated with renting it out. The proposed rent control legislation will hurt those landlords that have stayed in the game by taking away one of their only controls left – raising rent as needed to cover costs and still make a little profit as payment for the risks they take. Many will continue choosing to sell off properties instead which decreases housing availability & ultimately goes against state efforts to increase affordable rental options. It also affects small businesses such as mine since the landlords that hire us to help them navigate the waters go away. We are spending unpaid hours deciphering & trying to keep up on new regulations rather than proactively helping get tenants in housing.

I am seeing first-hand that larger improvement projects such as new roofs, HVAC systems, insulation, windows, bathroom remodels and other energy-savings projects in both rentals and homeowner associations are not being done due to the heavy costs and inability to recover that money. This will get worse if rent caps are put in place as proposed, and the housing that is available will slide downhill in quality due to lack of upkeep.

As a small business, I no longer take on management of rentals in Portland, Milwaukie, and other cities with laws that don't afford the landlords enough flexibility

to deal with bad tenant situations. Property managers spend too much time on these situations where the landlord has no control over the occupancy of their own investment properties (and do not get paid additional for helping them navigate this because they usually are not getting rent in when this happens and have to pay out of pocket for moves). Proposed rent controls will make this worse & many landlords who have the opportunity will then have to increase rent significantly when tenants move out and the property is re-listed. Rent control has caused housing instability in other larger cities & it doesn't appear to be helping in Portland in the past few years.

As a landlord, I have done my best to make my property affordable but I hardly make any money on it after increasing property taxes, insurance, repairs & maintenance & just the time spent managing it. I had planned to hold onto it & do major improvements soon, but my tenants cannot afford to leave or to have increased rent, and I cannot afford to pay them to move so I can sell it, either. So everyone is stuck. Tripling relocation fees is NOT the right answer. Helping landlords be good landlords who can create more affordable, more manageable, independent housing options (and more of it!) IS the answer!!