

Submitter: Joe Hovey

On Behalf Of:

Committee: Senate Committee On Housing and Development

Measure: SB611

Hello and thank you for your time. As background, my husband and I own 2 rental properties here in Portland, OR. Both rentals are single family homes with 3+ bedrooms. I would classify us as "Mom & Pop" Landlords as we are managing the properties ourselves; we are directly responsible for maintaining the properties to be safe and in pristine condition. Annually, we have the HVAC units serviced as well have the roofs / gutters cleared of debris. We also insure that carpets, painting, and appliances are kept in good working condition, replacing them as needed. We also have our properties insured for damages, etc. Our goal has been to provide rentals at a reasonable rate; often offering rent at lower than market values but still cover the mortgages and the property taxes plus savings for any unexpected repairs + investment savings for our retirement here in Multnomah County.

Unfortunately, it has become the norm to consider "all" landlords as predators, while "all" renters are the victims. Recently, there have been a number of articles in the media re: this Senate Bill under consideration. Mention is always made of a handful of tenants who have seen their rents increase dramatically this year. And all of a sudden, tenant activists are complaining about the "predatory" landlords. And Salem reacts with this "knee jerk reaction". But never to do we hear the landlord's side of the reasoning behind the increase. Is it a corporation or a small business that is servicing the rental? What are their reasons? Has the tenant ever had their rent increased or is the landlord trying to catch up? I truly believe we need to be asking more questions and delve into the facts so that we can make educated decisions.

We have been in the rental business since 1995, and we have seen a big increase in housing tenants who somehow feel entitled and show little regard for the houses and their exteriors & interiors. We have experienced an uptick in our needing to address damages to the properties due to careless tenants who have no sense of integrity or concern.

As a small business, a 3% cap + inflation with a maximum of 8% increase on rents does not address all of the cost increases that we are experiencing as owners of rental property. It fails to address the increasing labor & supply costs of home maintenance/repairs, replacing appliances, and most of all, increasing Property Taxes here in Multnomah County. Renters continue to vote-in various bonds that get tacked onto Property Taxes without thinking how this affects their Rent prices. So as long as these things continue, rents can only go up here in Portland. Quite frankly, housing Oregonians at the sole expense of those providing the housing is not sustainable, especially for those of us who are a small family business.

In addition, legislating that a landlord needs to provide 3 months rent for a "no-cause" eviction is putting us in difficult situation. That is expensive. It is just one more reason to get out of the rental business here in Oregon. And as I understand it from a recent housing report, Portland/Multnomah County has seen a decrease in single family homes as rentals. Yet, a majority of mutlifamily developments rarely offer anything more than 2 bedrooms. What does a larger family do as most would choose a single family home or townhome to house themselves?

What I would like to see is more investigative research on your part as to how we can solve the housing problem without putting the burden on the Mom & Pop Landlords out here.

We should be looking at permanent rental assistance and figuring out ways to increase supply bypassing a lot of time consuming red tape at government level.

In closing, it is my opinion that Rent Control does not work. Look at NYC and San Francisco. Rents continue to climb! I truly believe that it only discourages new rental development and the ownership of new home rentals.