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**Senate Committee on Housing and Development  
Testimony in Support of SB 722, In Opposition to the Dash 1 Amendments  
March 26<sup>th</sup>, 2025**

Chair Pham, Vice-Chair Anderson, and members of the Committee,

On behalf of the Oregon Law Center, I submit this testimony in strong support of Senate Bill 722, which seeks to enhance tenant stability and protect against housing price inflation by addressing the use of certain rent-setting algorithms and by adjusting the exemption period for new dwelling units from our state's rent stabilization statutes. We oppose the Dash 1 Amendments, which would strip this provision from the bill.

OLC's mission is to achieve justice for low-income communities of Oregon by providing a full range of the highest quality civil legal services. Helping families maintain safe, stable housing is a critical part of our work. Without stable housing, it is difficult or impossible to hold down a job, keep children in school, access neighborhood amenities, and stay healthy. As vacancy rates have plummeted and housing has become less and less affordable across the state, our clients have increasingly struggled to maintain stability for themselves and their children. Increasingly, low and moderate-income tenants risk homelessness as a result of any displacement from current housing.

Senate Bill 722 was brought forward in response to the single greatest need expressed by our low-income client communities during our policy priority-setting process over the last year. While there are many proposals before this legislature that would address supply solutions, SB 722 is the only policy proposal on the table that would provide relief for renters who are **currently** experiencing serious affordability challenges.

The bill would prevent price inflation and rent spikes for tens of thousands of renters by extending our rent stabilization statute to cover more units, and would rein in corporate manipulation of the market by prohibiting the use of data sharing and algorithms to fix or inflate rents.

**High rents are pushing more and more Oregon families to the brink.** We are currently seeing more than 2,000 eviction filings a month in Oregon, with 88% of those filings due to unaffordability of rent. We know that rent increases are a direct cause of displacement and homelessness. If we cannot rein in unreasonable price spikes, more families will be pushed over the edge.

American Community Survey census data show us that more than 40% of Oregon renters living in newer construction buildings are rent burdened, and 16% of those tenants are severely rent burdened. These families live in every county in the state, and they are one rent spike away from displacement, and the accompanying school changes, job loss, community disruption, and more.



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Closing the new construction loophole will provide coverage for an additional 40,000 units of housing, providing greater stability for more than 80,000 Oregonians across the state, and protecting against extreme rent spikes that are displacing.

SB 722 will also prohibit on collusion between landlords via algorithms and information sharing to inflate rents. This undermines fair market competition, and is the subject of [national attention](#). Oregon has joined many other states in a federal lawsuit against this practice, and many jurisdictions (18 states and many localities) are taking steps to address this. Price fixing has no place in Oregon, and we cannot afford to allow this practice to exacerbate our housing crisis. There are technical amendments needed to this portion of the bill and we look forward to working with the Department of Justice to iron out those details. Their written testimony in support is in the record.

**We cannot rely on new development of market-rate housing as the only strategy to solve our current affordability crisis.** This approach will take years to have any impact, and renters need help today. We cannot ask families who are struggling now, to wait 15 years before new construction begins to be protected from rent spikes. Waiting is not an option for the thousands of Oregon families currently on the brink.

The claim that rent stabilization impedes new construction is overly simplistic and ignores the complex factors influencing housing development. Policies like SB 722 strike a balance between encouraging investment in new housing and ensuring that tenants are protected from excessive rent hikes, fostering a more stable and equitable housing market.

#### **Studies have shown that rent stabilization does not have an impact on new construction (from Rent Control Myths vs Reality)**

- **Massachusetts:** In an analysis of housing supply after the repeal of rent control in three Massachusetts cities—Boston, Cambridge, and Brookline—a 2007 study found that the end of rent control had a negligible effect on the construction of new housing. In fact, this study found that multifamily building construction permits in these three cities reached their height in the mid to late 1980s—a time when rent stabilization policies were in full effect.
- **New Jersey:** Multiple longitudinal studies comparing New Jersey municipalities with and without moderate rent control found no significant relationship between rent control and new housing construction. The most recent study covered four decades of rent control and over 10,000 tenants.
- **Washington, DC:** The only study of rent control in the District of Columbia was published in 1990, and found no significant relationship between rent control and new housing construction.
- **California:** The Urban Displacement Project assessed housing production from 2007 to 2013, and found that the six cities with rent control in the Bay Area produced more housing units per capita than cities without rent control. A comprehensive report by Berkeley's

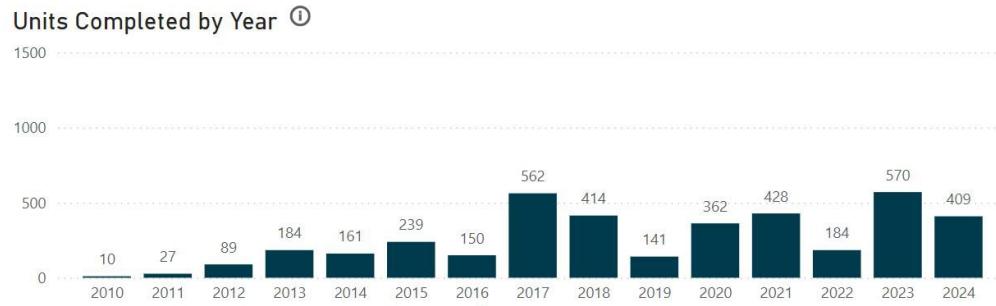
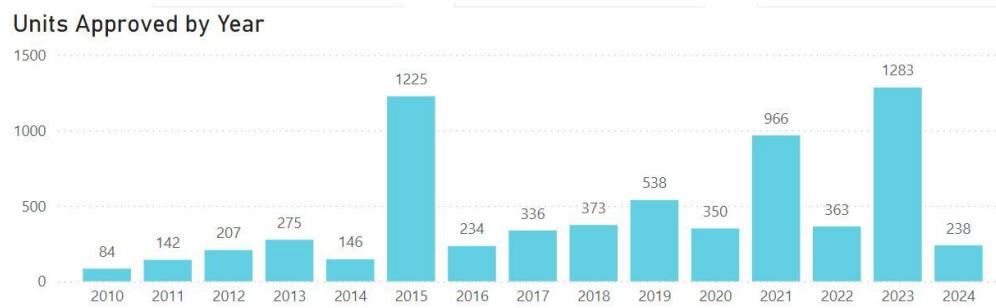


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Planning and Development Department considers the effect of rent control from 1978 to 1994 and concludes that “the best available evidence shows that rent control had little or no effect on the construction of new housing.”

- And consider the case of [Portland, Maine](#), with its firm 7% rent cap, implemented in 2021, with no exemption for new construction, showing no impact on new construction:

*Approved and Completed Housing Units in Portland, ME (2010-current)*



Source: [City of Portland, ME Housing Dashboard](#)

Note: Portland, ME passed the strongest rent stabilization ordinance in the country, with no new construction exemption, in 2020, and it was implemented in 2021. This has no correlation with units built and approved, which included an increase in units approved between 2020 and 2021, and an increase in units completed between 2019 and 2020. The real estate lobby ran a ballot initiative to weaken the rent stabilization ordinance in 2023 and failed. Despite that, [local news coverage](#) shows how “most of the larger construction companies have work booked well into next year.”

We urge the Committee to support SB 722 and recommend its passage without the Dash 1 amendment, to ensure fairer housing practices and enhanced protections for tenants across Oregon.

Thank you for your consideration.