

Submitter: Melinda Wilde

On Behalf Of:

Committee: Senate Committee On Housing and Development

Measure: SB611

Dear legislators.

Please oppose additional and continued rent control as there are numerous studies proving that rent control has the opposite impact intended to be addressed--unless it is the intent of this legislative body to reduce housing supply and increase housing costs in Oregon. See: [www.RentControl's Winners and Losers](http://www.RentControl'sWinnersandLosers) | Stanford Graduate School of Business; www.brookings.edu/research/what-does-economic-evidence-tell-us-about-the-effects-of-rent-control. Past legislation passed in Oregon has already had that effect but adding further rent control restrictions on landlords will exacerbate the housing crisis in Oregon.

Private landlords rent for profit. If they cannot make a reasonable return on their investment they will either sell or choose to accept the rent control regulation, and no longer perform maintenance on the building, because the costs are too great, and allow it to decay because rent control plus inflation prevents landlords from recouping their costs.

Rent control appears to help affordability in the short run for current tenants, but in the long-run decreases affordability, fuels gentrification, and creates negative externalities on the surrounding neighborhood. These results highlight that forcing landlords to provide insurance to tenants against rent increases can ultimately be counterproductive. If society desires to provide social insurance against rent increases, it may be less distortionary to offer this subsidy in the form of a government subsidy or tax credit. If landlords don't have to absorb the entire cost of rent control, she suggests, they won't be under as much pressure to pull out of the rental market. This would remove landlords' incentives to decrease the housing supply and could provide households with the insurance they desire.

Just as you cannot or will not impose tax controls, insurance premium controls, costs controls, and tenant-damage controls, you should not impose rent controls.

I urge you to incentivize landlords who provide affordable housing with tax credits or providing their tenants with rent subsidies. This way, all taxpayers share the burden of keeping rents affordable, rather than placing all of the burden on landlords.