

May 12, 2025

Oregon Senate Committee on Housing and Development

Re: Testimony Requesting Modifications to HB 3746A - Condo Defect Law Changes

To Chair Pham and Senate Committee on Housing and Development:

I oppose HB3746 as currently drafted because it arbitrarily removes legal protections for existing owners of condominiums that were built between 6-10 years ago. In addition to shifting legal liability from the builder to existing homeowners whose homes built during 2016-2019 are found to have defects, it is contrary to the Governor's policy objectives of housing production and affordability.

I live in a condominium building with 30 homes that was constructed in 2018. Recently, our HOA discovered that the building has water intrusion damage due to faulty construction. As is typical of this type of defect, the problem was hidden and took years to discover. The HOA has had to make extensive repairs and is still assessing the damage to what is still a relatively new building. HB 3746 would pull the rug out from under us and other homeowners like us who purchased our homes with an expectation that we were protected for 10 years from the date of the building's completion.

I understand the bill is intended to remove barriers to the production of housing, but reducing the statute of repose on existing condominiums penalizes existing homeowners and lets builders off the hook for legal responsibilities that they took on when they built their projects. There is no reason to restrict the rights of existing homeowners in order to accomplish the policy objective of housing production. Unless existing construction is exempted, the bill could have the opposite effect and make housing less affordable for homeowners as their HOAs are left to pay for repairs that before the bill would have been the builder's responsibility.

In conclusion, I am strongly opposed to HB 3746. I might support the bill if it were modified to exempt construction completed during 2015-2025, or adopt an effective date later than December, 2029, to maintain the rights of existing homeowners.

Thank you for the opportunity to comment.

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