

Submitter: Kevin Ekerson

On Behalf Of:

Committee: Senate Committee On Housing and Development

Measure: SB611

Regarding SB 611

Rent Increases: My father started with a few apartments in Medford in the 1960's. He added more over the years and I partnered with him on more. We now have a family run rental business that includes 42 units in Medford and 31 units in Jacksonville. We do reasonable rent increases that are in line with the cost of living increases. So far, we have not needed to raise rents more than the cost of living amount because so far our costs have been within that framework. Our rent increases for 2023 were 5-7%. That could change at any year with rising utilities, taxes and maintenance costs. The proposed maximum of 3% plus CPI with a cap of 8% could actually be less than the amount needed to sustain our business. This is causing us to consider selling our rentals to a large conglomerate, which will likely lower management quality, and raise rents at the maximum allowed rate at every opportunity putting pressure on our long term tenants who have enjoyed suppressed rent by our choice. There are several larger conglomerate apartment owners in Oregon that intend to purchase as many units as possible, and they are not small family run businesses. We are opposed to this cap on rent increases, the current law is adequate as it stands today.

Relocation Costs: Sometimes tenants are asked to leave with no cause to protect the complainant from retaliation by the evicted tenant. If an eviction states the cause, the bad tenant will know who complained. This is absolutely not safe for vulnerable tenants that are victimized by another tenant. Making the landlord pay for ANY relocation cost is not reasonable, especially three months worth of rent. That is thousands of dollars. This is not a sustainable model for residential rentals, and rewards tenants for bad behavior. A tenant can intentionally behave just badly enough to force the landlord to terminate so that they can get a moving bonus of several thousand dollars. If they do that two or three times per year they can accumulate quite a bit of money from landlords. It is a policy ripe for intentional extortion against landlords. The scenario is that a tenant can degrade an apartment to the point that it needs thousands of dollars of repair, and then get paid three months worth of rent to move. It just doesn't pencil and will drive us out of the family run rental business we operate. We are against this policy change from one month to three months relocation cost to the tenant.

Thank you for your time,

Arthur Ekerson, Medford, and Kevin Ekerson, Jacksonville