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For over 25 years I owned several apartment complexes in Oregon and sold the last one in 2023. The business is difficult in the best of times and nail-bitingly hard in the worst, but it wasn't bad tenants, never-ending building repairs or recessions that threatened to put me out of business – it was the yearly drip of ever more intrusive and profit-killing state regulations that pushed me to get out of the business. My tenants were unhappy to see me go.

Since statewide rent control went into effect in 2019, owners like me could see the writing on the wall and began selling their holdings to groups with larger portfolios that can handle the risk without being involved in the actual property and tenant welfare. In the last year, apartment values in the Metro area have declined 10% - it is harder and harder to find buyers interested in buying older "affordable" properties.

Before I go further, I need to say this to anyone who cares to listen – rental housing is a business that must earn a profit for the owner or it will cease to exist, *AND* a business owner never gets rid of a well-behaved paying customer! For all the evictions you hear about, there is another side of the story that never gets told.

Unfortunately, as prices for everything (taxes, salaries, utilities, legal bills, building materials, landscaping, etc.) go up, so must rents. It is not pleasant to raise rents, but it is an inevitable part of keeping the business viable and the buildings in good repair.

The slate of tenant-friendly, landlord-punishing regulations that I see proposed every year is mindboggling. The legislature clearly believes that the Rental Agreement, a legal contract between two parties, is not like any other business contract. A landlord sells SPACE over a period of TIME. The terms of the lease must be respected.

Why I Oppose HB 2134 A

State law (ORS 90.220 (2)(b) requires landlords to give a 90-day notice of rent raises to tenants. When vacancy rates dropped a few years ago, the time period was lengthened from 30 days to 90 to give tenants a better opportunity to find alternative housing if they needed to. If the tenant had to leave the rental unit prior to the end of their lease, the Rental Agreement states how that is handled. (ORS 90.220(8)(a-g) A Lease Break Fee is usually applied (typically 1 month's rent or pay for the remainder of the lease term whichever is shorter), or until a new tenant can take possession of the unit if it is less than a month. This is fair to both landlord and tenant and what the tenant agreed to when they signed the lease. The lease break fee is to defray costs of a sooner-than-expected turnover and to discourage people from moving before their lease is up. This is standard practice in most states and an expected part of renting a home.

There are always the tenants who "skip" out – abandon their unit in the middle of the night or on a weekend when the manager is gone. Or just quit paying their rent a few months prior to the end of their lease knowing it takes a long time for the landlord to go through the legal process to evict them (and while they find a new place to live without a FED court judgement showing up).

The Landlord Tenant Law list of landlord duties and regulations to know and follow is long and gets longer every year. Lots of ways to slip up. The list of tenant duties (ORS 90.325) is short – about 11 total.

20+ years ago when I took Property Management Real Estate Broker classes, the Landlord-Tenant Laws were explained as each party having an equal bundle of sticks that represented duties and obligations. This sounded fair to me. That old-fashioned idea of fairness of the Landlord Tenant Law has become so one-sided that no one has to guess which side the legislature is on, and that any new rental law coming out of Salem can only be bad news.

Selling my last apartment property was the best decision I ever made. However, the rental housing situation in Oregon does not make me happy.

Private rental (and owned) housing is the best and only way to provide the affordable housing the state needs!

Although it is trying very hard, government cannot build enough subsidized housing to do the job – no country ever has – only the private sector can do it. And yet the legislature continues to treat the rental industry as hand maidens to the tenant activists and those who believe that rental housing should be treated as a public utility with profits strictly controlled. No investor will respond to threats like that. It is much easier to put my money elsewhere with less risk, similar reward, and no worry about what hideous thing the legislature has done or will do next.

Reject HB 2134A AND any other anti-landlord, anti-rental housing bills that come before your committee.

Please seek out opportunities to engage with rental housing professionals – the owners and managers who can tell you what they are up against and investors who can tell you what they need to build more units. They know what *really* works and what doesn't.

Sincerely,

Dianne Cassidy
Ex-Landlord