

February 17, 2025

House Committee on Housing and Homelessness

Subject: Support for House Bill 2305

Dear Chair and Members of the House Committee on Housing and Homelessness,

I am writing today in strong support of House Bill 2305, which would allow landlords to terminate a tenancy upon a third material violation or late payment with 30 days' notice and no right to cure. This bill is about fairness, accountability, and restoring balance to the rental housing market—principles that are critical to ensuring a stable supply of housing for Oregonians.

As a licensed Oregon Principal Broker, real estate investor, and board member of the Lane County Rental Owners Association, I have seen firsthand how recent rental policies have led to unintended consequences that harm both housing providers and tenants. Here are three key issues that need to be addressed:

### **1. Small Landlords Are Leaving, and Supply is Shrinking**

Independent rental housing providers—who have long been the backbone of Oregon's rental market—are selling off their properties and moving capital out of state. Last year alone, I personally handled over \$6 million in 1031 exchanges, where Oregon properties were sold and replacement properties were purchased out of state. Each time a rental is sold to an owner-occupant, the total rental stock shrinks, making it harder for tenants to find affordable housing.

The data backs this up: I track every duplex sale in Lane County, and I see a clear pattern—these properties are not being purchased by investors, but by homeowners who live in one side and rent out the other. That means every duplex sale effectively removes half of the available rental units. Policies that were meant to protect tenants are instead driving up rents and reducing housing availability.

### **2. The Revolving Door of Evictions Hurts Everyone**

As a rental property owner, I have personally experienced how some tenants exploit the system. When tenants violate lease agreements—whether it's repeated nonpayment, property damage, or other breaches—housing providers are left with limited recourse. Many problematic tenants know how to use legal loopholes to delay eviction, creating costly and drawn-out legal battles for landlords.

This does not just hurt property owners—it also harms responsible tenants who must endure disruptive or negligent neighbors while landlords are powerless to act. House Bill 2305 simply ensures that landlords have a fair process to remove tenants who repeatedly fail to follow their lease agreements.

### **3. Capital is Leaving, and Institutional Investors Are Taking Over**

I have invested millions of dollars into Oregon real estate over the years, but due to increasingly restrictive policies, I have shifted my investment strategy to other states. And I am not alone—many of my colleagues and fellow investors are making the same decision.

This trend does not help tenants—instead, it paves the way for large institutional investors and hedge funds to dominate the market. These corporations are often exempt from rent control for up to 15 years and receive massive tax breaks, creating an unfair playing field that disadvantages small, local housing providers. If we continue down this path, Oregon will see less competition, fewer independent landlords, and higher rents in the long run.

### **This Bill Promotes Accountability—Not Homelessness**

A lease agreement is a mutual contract that should be respected by both landlords and tenants. House Bill 2305 does not create homelessness—it simply holds tenants accountable for honoring the contracts they sign. Providing housing is a business, and every other industry operates under the expectation that agreements must be upheld.

### **Eugene's Housing Policies Should Be a Cautionary Tale**

We do not have to speculate about what happens when housing policy becomes too one-sided—we can see the results in Eugene. The city has implemented unclear, inconsistent, and poorly managed rental regulations that have driven landlords out of the market. The result? Fewer rentals, higher rents, and more competition for available housing. This is not a sustainable path forward.

**It's Time to Restore Balance**

House Bill 2305 is a reasonable and necessary step toward a fairer rental market in Oregon. By allowing landlords to remove tenants who consistently violate lease agreements, we create a system that supports both housing providers and responsible tenants.

I urge you to support this bill and take action to prevent further loss of rental housing in Oregon. Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Gandee".

**Daniel Gandee**

Principal Broker, Investor, and Board Member – Lane County Rental Owners Association