

To the Members of the Senate Committee on Housing and Development
Re: SB 611

Date: March 28, 2023

Honorable members:

I oppose the current efforts to reduce even further the amount by which a landlord can raise the rent on his/her properties. I understand that Covid and post-Covid have led some landlords to take advantage of that situation and raise the rents to much higher levels than many tenants can afford.

On the other hand, there are small landlords like myself with a few units (in my case, small houses), where limiting rent increases to minuscule percentages over which the landlord has no control, requiring payment to tenants for for-cause evictions, and forbidding rent increases after renovation or repair of the property, are highly punitive for the small landlord, and are a significant deterrent to maintaining the property.

Landlord costs have risen exponentially in the last several years. The cost of repairs and maintenance is far higher than the change in Consumer Price Index. Just try buying a 2X4 or a sheet of plywood, or having a plumber or electrician perform repairs, or even having a yard service. Property taxes and insurance have also increased, not to mention county and city assessments and utility costs.

I own five houses all under 2000 square feet which I have restored/rebuilt/ maintained for many years. I have long-term tenants including a single dad whose son was 1 year old when dad moved in and who is now in college. I have barely raised the rent in the 20 or more years I have owned these properties. I have another set of tenants who pay \$1000 a month for a 3 bedroom 2 bath ranch on 1.5 acres. The insurance and property taxes alone (not to mention new roof, new pump and new heating system) are far more than I could recover in another twenty years at an annual rent increase of \$50. Under these circumstances, my option is simply to not fix the roof, replace the pump, or provide heat. Of course, there are penalties for that as well.

I recently evicted a tenant for the first time. It took months, court filings and money I would have put into refurbishing. This tenant was a major hoarder, ran up enormous utility bills (which I wound up paying), failed to pay the rent on more than one occasion, and left me with mountains of trash to remove requiring dump fees (not to mention time and effort to clean the place up.) Perhaps you think that tenant screening would have avoided this situation, but that is not necessarily the case. Reference checks, background checks, bank checks cannot always insure that the tenant is not going to destroy the property.

The final provision which penalizes the landlord for raising the rent after requiring a tenant to move for purposes of repair or renovation is simply unconscionable. The landlord must be allowed to renovate the property, which sometimes requires the tenant to vacate. It is next to impossible to repair drywall, foundations, or chimneys, for example, with someone living on the premises. If we tried to do this, the property would become temporarily, at least, uninhabitable, for which the tenant gets to sue the landlord!

This is a Bill which is trying to solve the overall housing crisis on the backs of landlords. The Bill implicitly assumes that all Landlords are greedy and somehow getting rich, and that all for-cause evictions are just pretexts for raising the rent. This Bill paints with too broad a brush.

Landlords understood the need to limit rent increases during Covid, but that time is past (or rapidly passing.) It's time to allow Landlords to at least meet expenses. If not there will soon be more houses becoming derelict for want of maintenance. Why should I spend my social security pittance fixing someone else's house?

I strongly urge you to reconsider this Bill in its entirety, if not repeal the original rent limitation legislation. Yes, you are supposedly trying to help those with lower incomes who have housing difficulties. A laudable goal. This isn't the way to do it. What is needed is more actual housing stock. An increased supply with additional competition will inevitably lower rents. Any rent limitation should be more finely and specifically tailored, perhaps based on number of units, type of units, square footage, occupancy, and locations. Salem or Medford is not the same as Portland. Further, please remember that small individual landlords are not in the same category or position as large Portland property management firms. If they are the problem, then fix that. I do not wish to be penalized because of any alleged misdeeds of others.

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