

## Rosenberg Corey

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**From:** Mark L. Christianson <mark@pmmarkus.com>  
**Sent:** Tuesday, April 25, 2017 10:59 AM  
**To:** SHS Exhibits  
**Cc:** pratibha@pmmarkus.com; Luyten, Amy  
**Subject:** Re: HB2004- testimony

**Follow Up Flag:** Follow up  
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Please submit as testimony for the hearings on this matter

HB2004

Please DO NOT support this bill. This is the worst idea in landlord/tenant history in Oregon in the last 50 years. It will hurt tenants, landlords and the people of Oregon at every step, and it is the top of a very slippery slope that ends in a state supported high income rent subsidy that will incentivize people to rent, not buy. In a state driven by PROPERTY TAX INCOME, this is a very bad goal to set.

HB 2004 was written in an effort to keep landlords from taking advantage of renters, specifically during the recent local economic boom in the housing market. But statistics show that for every property owner who tries to take UNDUE advantage of the trending market, 6 property owners are renting to tenants UNDER MARKET VALUE. If you pass this bill you will create EVEN MORE REASON for landlords to charge more, and for them to look for more reasons to make tenants do what they agree to do. NOBODY WINS.

There are a few bad landlords out there. There are a few bad tenants as well. It's not nice for landlords to seek outrageously high rents when the market permits, but it is fair. They risk not renting their homes quickly, and they risk short term rentals with turnover costs that eat up their profits. Sometimes those risks pay off, sometimes not. And sometimes they get used to an increased income only to find they cannot re-rent the home for the same price because conditions have changed.

Whatever you think of landlords as a class, you must admit that they (as a class) are working in a time honored system that goes back thousands of years. The rules are simple- you buy a property then let someone else use it for a profit. The need is simple- the tenants either can't afford the up-front costs to purchase but want to use the property anyway, or they find value in the losses (tax benefits) rather than the gains (appreciation). The governments, state and local, support those motivations by creating a way for them to make money from the transaction. While the left hand is raised in protest, the right hand has it's palm open for the income. In the vast majority of the cases landlords are working within the scope of the law, and those who do not usually get punished.

Legislation is not dynamic. It does not ebb and flow- it only flows. When onerous and unfair legislation puts downward pressure on the housing market it stays there, most likely forever. It will not rebound when the economy shifts, it will not correct itself, it will only cause downward pressure on the housing market. All other naturally correcting economic pressures are disabled, and then it is up to the government to force changes in future markets. The government is slow (so all future problems will last longer) and cheap (so all future solutions will be insufficient), and the government is US (so all future costs will come from your pocket).

Quite simply: Rent Control takes the burden of market changes away from the Landlord and the Tenant and puts them ultimately on the public. It is one more way to remove responsibility from A PERSON and put it on THE PEOPLE.

The fastest, easiest way to address the issues this bill is supposed to address would be to establish a fund that would help with moving costs for tenants forced to move due to a no-cause eviction. This would do two things:

- 1- It would provide help directly to those who need it, specifically for what you want to help them with. It is clear and direct, and it puts those who want to help right in the middle of the process. If you could convince the public that this is a cause worthy of THEIR DOLLARS then the fund would be fair and unbiased. Collect funds by solicitation, or pass a budget line item or funding bill that allowed for the money and the infrastructure to oversee its use.
- 2- It would support, not damage, the free-market conditions that have been so supportive to the real estate industry for so many decades. It would keep investors interested in spending their money on investment property in Oregon, keep them bringing property tax income into the state, and help us all by increasing the tax base and providing incentive to economic investment. Most importantly, it would be much easier to reverse a subsidy than to reverse a law requiring someone else (landlords) to subsidize tenants.

I, like most professional real estate brokers and property managers, understand the value of a fair legal system in regards to real estate and landlord/tenant law. Fair treatment of all parties means less conflict, less liability, more cooperation and easier, less expensive business practices. When you make it complicated and hard everyone loses. The tenants do not always grasp the fine points of the rules (nor do many professionals) and the courts render unfair judgements due to inexperience, unclear guidelines and simple error. And at this level of the legal system PEOPLE ARE REALLY HURT by these problems. Nobody can afford to hire attorneys for these litigations, and it should not be so difficult that we need to do so. These are supposed to be simple concepts, basic rules to guide us in an industry with several loopholes and potential life-altering issues. Let's keep it that way.

I am in favor of legislation that helps keep people from getting hurt. I am EVEN MORE in favor of legislation that keeps people from being unfairly treated. HOWEVER- I am NOT in favor of legislation that punishes people for investing in ventures that serve the public. You can't have both. If you want people to invest in people, you have to make it worth their while.

This is just another rent control bill. Another way to make the "I earned it" people pay for the "I want it" people. It will make landlords pay more in the short run. It will make all Oregonians pay more in the long run. market Don't fall for it. Vote it down.

If you are REALLY interested in looking for ways to support low income housing, and ways to keep investors interested, call me. I would be more than happy to explore options, or solicit the help of local Real Estate and Property Management representatives to seek solutions.

Regards,

Mark Christianson, CPM  
Principal Broker

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