

Dear Legislators,

I am against HB2004 and urge you to reject this bill. While good intentioned, this bill will do irreparable damage to Oregon's housing industry.

Reasons Why HB2004 is Wrong!

- Fee will mostly benefit 'bad' tenants that are disrespectful, discourteous, and fail to promote a healthy and safe environment for all tenants.
 - Note: It is always in a property managers best interest to retain good tenants at a fair market rent. A good tenant pays rent on time, maintains property in good state, is courteous and respectful to neighbors, and has good communication with property owner.
 - Replacing tenants is a costly and time consuming process that always results financial loss for both the tenant and property manager. There is always risk that the next tenant will be a bad tenant. Bad tenants often pay rent late, fail to maintain property, damage property, are discourteous to neighbors and owners, are poor communicators and have poor relationship with property managers).
 - Market conditions and costs are what determine rent increases! Raising rent above fair market value will usually lead to renters giving notice which typically incurs costs that are difficult to regain through rental increases.
 - Rents are increasing due to low housing supply, costs to acquire rentals (increasing mortgages costs), increasing maintenance and repair costs, increasing taxes, and increasing insurances prices. Bill doesn't take into account Property owner costs and financial losses.
 - Doesn't guarantee how 'relocation' fee would be used by tenant. Could be used for other purposes or pocketed.
- Laws limit the fees that Landlords charge to only be for goods or services used by the tenant (last month, repairs, maintenance). This is a punitive fee where no service is transferred to the landlord by the tenant.
- Amount is much higher than landlords are legally allowed to charge a tenant that breaks a fixed term lease. Note that if a tenants terminates a fixed-term lease. Then, a property manager may only charge up to 1.5x the rental amount. Not 3x like this bill requires landlords to pay WITH 3 months notice!
- Nullifies property owner protections and purpose of security deposits and lease penalties. Note that the landlord must pay this fee even though the tenant might have outstanding penalty fees (late rent payment, lease violations, ect) or be delinquent on rent.
- Provides no means for property managers to terminate a lease without incurring a fee! Any bill must provide a legal process for a landlord to amicably terminate the lease without a fee. Although increased notice may be warranted in certain situations, Landlords should still have legal recourse for regaining their property.
- Treats all landlords as large-scale operators! Note that many rental properties are only by families and retirees who are dealing with high mortgage rates, increasing insurance

and property taxes, and increasing maintenance costs. These property managers cannot afford to pay this fee. This fee will disproportionately affect smaller-scale property owners and result in a larger percentage of rental properties owned by out-of-state investment firms. Any bill should only be allowed to affect dwellings with more than 10 units and where at least 30% of the units have received no-cause notices.

- Will result in fewer rental properties, higher rental rates, higher application fees, more stringent screening processes, and more restrictive lease clauses.
 - Property managers WILL reduce risk of fee by increasing applications fees and screening requirements.
 - Property managers will also add more restrictive lease clauses to make it easier to enforce lease violations as reason to regain property.
 - Rental property supply will decrease, rental management costs will be increased, and rental demand will still increase which will result in much higher rental rates!
- Portland's recent ordinance is a perfect example of why local ordinances should NOT be allowed to use rent control rebranded as 'stabilization'. Government has proven to be a very poor manager of these types of programs. It will be no different in Oregon and will destabilize the market even more.

Vote no on HB2004!

Sincerely,
Nathan Scott