

I am writing to you regarding the proposed HB2004 legislation. Two years ago we bought a duplex near our home in Milwaukie, OR as part of our long term investment strategy for retirement (preferring to invest in our local community rather than gamble our money on the stock market). It is the only rental property we own and we know from experience that tenants often prefer to rent from small owners such as ourselves rather than large corporations, but we would only continue to do this if the law is fair and protects both sides – the proposed law **is not**.

We do not gouge our tenants and I would have no problem whatsoever with caps on annual rental increases as we have increased the rents minimally (3% or less) since ownership and much prefer to have long term, happy tenants rather than overcharging and getting resentful, unhappy tenants with a lot of turnover. However, if this law were to be imposed it would only be fair to exclude from rental price caps increases in costs that are unilaterally imposed on owners, such as the recent annual local “Business Taxes”, above inflation property tax increases etc otherwise the gap between our income and our costs becomes lower and lower and eventually we would not be able to maintain or upkeep the property. This would eventually create more and more poorly maintained and potentially dangerous rental housing properties in the state.

I do agree that good long term tenants should be given plenty of notice should an owner wish to vacate the unit (which we should have the right to do – for example to renovate, perform essential preventative maintenance such as replacing galvanized steel piping where a tenant could not continue to occupy the building at the same time). A fairer solution would be to have:

- a tiered notice period, so for example if a tenant was long term (e.g. over 5 years) they were given a longer period of notice (e.g. 6 months) to move under a no-cause eviction situation.
- a cap on rental annual increases, but exclude from this above inflation tax and fee increases that are out of the control of the owner such as new local taxes, above rental cap property tax increases etc.

I feel that this proposed law is a short sighted reactionary response to the dubious actions of a few large corporate property owners mostly in the Portland metro area, but will harm small scale property owners and in the longer term tenants, society and eventually the state of Oregon as well as rental properties will fall into disrepair. This proposal will negatively impact in many ways over the long term – Oregon will become a less desirable place to live in, invest in and our weather very quickly rots poorly maintained buildings which will undo the vast sums of money spent on urban regeneration.

Best regards,

Mark Hilton  
Milwaukie, OR