

Dear Senators,

I am a very small time landlord, and I have units in Colorado Springs, Colorado; Portland, Oregon; and in Quebec City, Canada. I am writing based on my experiences to date with my property in Quebec City, Canada. As you may already realize, the rent controls that are in place here, in Canada are very tight. I am writing you to help shed some light on my personal experiences in hopes that you can make the best decision for the needs of all people from Oregon.

It is true, that in a booming market, without some sort of restrictions in place, tenants can be too easily displaced. Having said that, I think that the restrictions you are proposing will have some very negative effects. This is my experience, living in Quebec City for more than 18 years under rent control:

We are only allowed to increase rents annually at a rate of 1.5 to 2.5%. While that looks good on paper, the end result is exceptional depreciation on the properties. If a plumber charges 100 - 125\$ per hour, the landlord cannot afford to make any more than basic repairs to a property, as the rent increases do not keep up with the cost of maintenance. I have a 4 plex in Quebec City. As the tenants slowly move out, I keep the units vacant. The reason being, I plan to remodel and then put each unit on the market as a condominium. I simply cannot maintain the property, or make the necessary improvements based on the cash flow. Last year, one of my tenants had bed bugs. The cost was 1700\$ in fumigation to me, and 3 months of his rent barely covered just that expense. Not to mention, the municipal taxes typically increase at a rate higher than what I am allowed to collect in increased rents.

If the market is down, landlords here will keep their units vacant, instead of lowering the price and with good reason: once lowered, they cannot raise it from the lower rate.

We have decided not to invest in any additional residential multifamily units in the Quebec City market.

While I understand that the purpose of this legislation is to put a halt to speculation and keep those speculators from increasing the rents unreasonably, I firmly believe that in the end, you will have the same issues due to limited supply. I still do, however, believe that some restrictions do need to be put in place, but the landlord needs protection too.

I have never asked a tenant to leave so that I can increase the rents. Any increase in rents are usually to keep up with inflation. I just feel the cost of turnover is often too high, but then again, my goals are not to flip a property and sell on "Pro Forma" numbers.

If you absolutely feel a cap on rent increases is necessary, then make it adjustable, for instance the rate of inflation plus 8%. That allows for some deferred maintenance issues to be kept up with. Otherwise, the landlords will not invest in the maintenance of their properties, and the quality of apartments will decrease.

As for the termination of a lease being the sole option on the tenant, you need to be more flexible here. I suggest you require a 3 or 6 month notice on both the tenant's and landlord's parts. Any fixed term lease can be terminated by either party if the proposed capped rent increase is not agreed upon by the tenant. After all, your landlords are taking on all of the RISK in any investment property, so yes, they need rights too. Without these investments on the part of the landlords, Oregon would not have the high quality housing to offer it's community either.

Your proposals to date are one sided. You need to take more time and come up with a win-win solution. The San Fran model is not what Oregon needs. Create a panel with experts from ALL sides, and come up with a compromise plan that reflects the needs of all parties.

Thank you for giving me the opportunity to express my opinion.

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