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Good afternoon, esteemed members of the committee. My name is Jon Hyatt and I am the owner of SI Associates Property Management and a licensed broker with eXp Realty, operating in the greater Bangor area. I appreciate the opportunity to speak with you today on behalf of landlords who are facing significant challenges due to current legislative policies.

As a property management professional with extensive experience in the Bangor area, I have witnessed firsthand the impact of long-term property ownership on rental pricing and the subsequent challenges faced by new landlords. Many landlords in our community have owned their properties for decades, often with little to no debt service. They have maintained stable relationships with tenants, some of whom have resided in the same units for over ten+ years, with little to no rent increases.

While this stability is beneficial for tenants, it presents a unique challenge when these properties are sold. The new landlords, who often face substantial debt service due to the purchase, are constrained by legislative policies that limit rent increases to a mere 5%. This restriction is particularly problematic when the existing rents are significantly below market value.

For example, it is not uncommon to see properties with two-bedroom units renting for \$500 to \$600 per month, despite the market rate being \$1,200 to \$1,400. When a property changes hands, the new landlord is unable to adjust the rent to market standards due to the 5% cap. This discrepancy creates a financial strain, as the income generated from these below-market rents is insufficient to cover the new debt service.

I urge the committee to consider the unintended consequences of the current rent control policies on new property owners. While the intention is to protect tenants, the reality is that these restrictions can deter investment and lead to financial instability for new landlords.

I propose that we explore alternative solutions that balance tenant protection with the economic realities faced by property owners.

Thank you for your time and consideration. I am happy to answer any questions you may have.