

LOS ANGELES COUNTY DEPARTMENT OF CONSUMER AND BUSINESS AFFAIRS



Rent Stabilization Bulletin Annual Allowable Rent Increase

The Los Angeles County <u>Rent Stabilization and Tenant Protections Ordinance (RSTPO), Chapter 8.52</u> of the County Code (LACC), which became effective April 1, 2020, was designed to promote long-term stability and security for tenants in the rental market while providing landlords a fair and reasonable return on their property.

On November 7, 2023, the Board of Supervisors passed a motion setting a temporary cap on rent increases to **4% from January 1, 2024 through June 30, 2024**, for fully covered rental units* subject to <u>LACC section</u> <u>8.52.050</u>.

Beginning July 1, 2024 through June 30, 2025, the maximum allowable rent increase (MARS) will be set pursuant to the provisions of the RSTPO at 4.275%. The maximum annual allowable rent increase shall reflect the percentage change in the average Consumer Price Index (CPI), as calculated by the <u>Bureau</u> of <u>Labor Statistics</u>, for the previous twelve-month (12) period ending on September 30th of each year, not to exceed 8%. The annual rent increases will go into effect in July of each proximate calendar year.

The maximum allowable rent increase shall be determined according to the chart below:

Change in CPI	Maximum Allowable Increase
Between 3% and 8%	Equal to Change in CPI
Between 1% and 3%	3%
Between -2% and 1%	Change in CPI + 2%
Less than -2%	No Increase

*Fully covered rental units are:

- 1. Rental units located in unincorporated areas of the County with two (2) or more rental units (regardless of legal permit status) on a rental property and accessory dwelling units with a certificate of occupancy or equivalent permit issued on or before February 1, 1995.
- 2. Mobilehomes offered for rent by the mobilehome owner regardless of the date of the certificate of occupancy or equivalent permit.

Past and Current Allowable Increases		
Date	Percentage Allowed	
9/11/2018 – 3/3/2020	3%	
3/4/2020 – 3/31/2023	0**	
4/1/2023 – 12/31/2023	3%	
1/1/2024 – 6/30/2024	4%	
7/1/2024 – 6/30/2025	4.275%	

****Note:** Los Angeles County COVID-19 Tenant Protections Resolution, effective March 4, 2020 through March 31, 2023, prohibited rent increases for fully covered units subject to LACC Chapter 8.52.

A landlord may impose an annual rent increase only after:

- 1. Tenants are provided a minimum thirty (30) day written notice of the rent increase pursuant to California Civil Code section 827 (<u>LACC section 8.52.050(A)</u>).
- 2. It has been a minimum of twelve (12) consecutive months since the last rent increase. Exceptions apply. (LACC section 8.52.050(B))
- A landlord has registered each fully covered rental unit with the Department of Consumer and Business Affairs (DCBA), is current on payment of registration fees pursuant to <u>LACC section</u> <u>8.52.080</u>, and is compliant with federal, State, and local laws and requirements pursuant to <u>LACC section 8.52.050(B)</u>.
- 4. Tenants are provided the Notice of Tenant Rights (LACC section 8.52.120).

Disclaimer: This is a summary of information related to the RSTPO and is not legal advice. Readers should consult an attorney for advice on how the RSTPO applies to their rental properties. Laws and guidelines are frequently amended. DCBA recommends that readers verify information against the current RSTPO in the event that any new changes are not yet reflected on this bulletin.

For more information on the RSTPO, contact:

Los Angeles County Department of Consumer and Business Affairs (800) 593-8222 or visit <u>rent.lacounty.gov</u>