An Overview of U.S. Rent Stabilization Policies

Term	Description
Rent Regulation	*General term for policies that make rental housing more affordable for tenants, including by limiting rent increases, setting maximum rents, establishing rules for determining fair rents, and/or subsidizing lower rents or smaller rent increases.*
Rent Control	*Policies that do not allow any rent increases, also called “rent freeze” or “first generation rent regulations.”*
Rent Stabilization	*Policies that restrict how much landlords are allowed to increase rent annually, sometimes called “second generation rent control” or “modern rent control.”*
Rent Cap	*Rate that landlords are allowed to increase rent annually. Sometimes, this is a set percentage or tied to inflation measurements.*
Vacancy Decontrol	*Allows a landlord to return the rent to market level when a tenant vacates a unit.*

Designers of rent stabilization policies consider several questions, discussed on the following pages. The answers to these questions, usually informed by local data, lead to significant variations in rent stabilization policies.

Variations in Rent Regulation Policies

How is the rent cap defined?

Programs vary by how much the rent can increase annually. Many tie it to the Consumer Price Index (CPI), a common measurement of inflation.

- Berkeley, CA: 65 percent of the annual change in the CPI.
- Newark, NJ: Full amount of CPI, but no more than four percent annual increase.
- Oregon: Seven percent plus inflation/CPI, so if the CPI increase was two percent, the maximum increase would be nine percent, but no more than 10 percent.
- Providence, RI (proposed): Four percent increase.
- New York City, NY: In rent-stabilized properties, older adults or people with a disability can qualify for a rent freeze.

When can property owners increase rents above the rent cap?

Pass throughs: Many programs allow landlords to increase rents above the rent cap when there are significant expense increases. Common examples include: major improvements, utility increases, and significant property tax increases. Programs vary on how much of these costs can be passed on to tenants.

Banking rent increases: If an owner does not increase the rent one year, some policies allow them to save that increase and add it on top of the increase in a future year.

- San Francisco, CA: Allows property owners to bank allowable increases with no limits on the amounts, which could lead to unmanageable increases for renters.
- Oakland, CA: Limits banking to five years and also sets a limit for any one increase.

How will rent be set when a tenant moves out?

- *Full Vacancy Decontrol* – California*:* No limits on rent increase when there is a change of tenant. Full vacancy decontrol stabilizes rents for existing tenants but does not continue the unit’s affordability beyond that particular tenant.
- *Partial Vacancy Decontrol* – St. Paul, MN: Allows rent increases in certain “just cause vacancies” above the cap but not unlimited.
- *Vacancy Control* – New York: The landlord can’t increase the rent by more than the rent cap even with a change in tenant.

What geographic area will this policy cover?

Rent stabilization policies vary in their geographic scope: some are just regulate rents for a particular city, county, or the whole state.

Will any properties be exempt from rent regulation?

New construction: Many programs exempt new construction to respond to concerns that rent stabilization may disincentivize developers and investors from building new units.

- Takoma Park, Maryland exempts new construction for five years; St. Paul, Minnesota exempts it for 20 years.
- Considerations: How would financing be affected in the area by the timing of new construction exemptions? Would it make a difference if it were 15 years versus 10?

Small buildings and owner-occupied: These carve outs try to limit potential negative impacts of rent control on small landlords or buildings.

- Washington, DC exempts buildings that are owned by a natural person (not a corporation) who owns no more than four rental units in that jurisdiction.
- Considerations: What does the ownership of the housing look like in the area? How does this differ by neighborhood and the type of housing (large buildings, small homes)? For instance, in some areas, some rental housing businesses own many small buildings.

Public and subsidized housing: Typically not part of rent stabilization programs because the rent is already stabilized through local, state, or federal laws.

Considerations: Who owns and rents these different types of housing, and how would that impact the effects of the rent regulation policy?

How would monitoring and enforcement of rent stabilization protections work?

Policies vary on how they are monitored and how disputes are addressed. Common tools include:

- Appointed or elected rent control/stabilization boards to enforce and monitor compliance.
- Rental registration fee can be used to fund rent regulation compliance.
- Reactive versus proactive enforcement: To initiate complaints, some programs are more reactive, meaning a tenant is required to initiate a complaint or violation, while others are more proactive, meaning the rent board can make a complaint.
- Rental registry: Some programs require owners to register rent-stabilized buildings to aid with monitoring, data collection, and enforcement.

What other complementary tenant and affordability protections are in place?

Other housing policies and local context can affect how well rent stabilization achieves its desired goals of increased tenant stability and decreased displacement, while maintaining quality housing. Such policies may include:

- Just cause evictions; well-designed code enforcement; regulation of utility increases; tenant right to legal representation in eviction cases; rental assistance.

Selected Rent Stabilization Policies

City Ordinances

	Providence (proposed)	St. Paul, MN	Portland, ME
Annual Rent Cap	4%	3%	70% of CPI-U for the Greater Boston Metro Area
Building Exemptions	**Small buildings:** 1-4 unit buildings, where owner lives, plus one additional small building owned by the same person **New construction:** 10 years from initial occupancy. 20-year exemption if workers paid prevailing wage and registered apprentices were part of construction **Other exemptions** (see bill for all): institutional housing, sale-to-occupant, transitional housing, deed-restricted affordable housing, public and subsidized housing, employee housing, temporary owner absence	**New construction:** Residential initial occupancy after December 31, 2004 **Other exemptions** (see ordinance for all): Public housing; short-term rentals and hotels; accommodations in religious facilities, hospitals, or long-term care facilities; affordable housing	**Small buildings:** 2-4 unit buildings, one of which occupied by the property owner **Other exemptions** (see ordinance for all: Public housing; Accommodations in a hospital, religious facility, or extended care facility; affordable housing; school dorms; Accessory Dwelling Units (ADUs)
Hardships & Cost Exceptions	**Capital improvements:** Major improvements that extend the building's life; not regular maintenance or repairs **Property tax increases:** If property taxes jump more than 5% in one year, landlords can increase rent by part of that tax increase divided among covered units Petitions limited to 10% increases in a year	**Reasonable return on investment,** property taxes changes, maintenance and operating expenses, utilities, necessary capital improvements, changes in housing services provided, substantial deterioration of the unit, failure of landlord to comply with state rental housing laws. No exceptions permitted for any unit not in compliance with warrant of habitability	**Fair return on investment**: capital improvements and minor renovations, uninsured repairs, the provision of new housing services, revaluation for property tax assessment, or other unusual expenses Even with hardship exemptions, at no time may the allowed increase be more than 10%
Vacancy Control/ Decontrol	**Full vacancy control**	Limited vacancy decontrol: Up to CPI + 8% increase for "just cause vacancy": See ordinance for complete definition of "just case vacancy"	Limited vacancy decontrol: 5% increase for a new tenant annually only when the previous tenancy was terminated voluntarily by the tenant without coercion

Selected Rent Stabilization Policies

City Ordinances (continued)

	Providence (proposed)	St. Paul, MN	Portland, ME
Monitoring and Compliance	**Compensated Rent Board:** five appointed members (four by President of City Council, one by Mayor) for five-year staggered terms, all need to be residents of Providence Rent Board can approve rent increases, order refunds for overcharges, rollback illegal increases, reduce rent if services have declined, issue fines for violations	St. Paul Department of Safety and Inspections, which can provide technical assistance in filing for increases or complaints Appeals process to go through legislative hearing officer	**Uncompensated Rent Board:** 7 appointed residents, recommends at least 3 tenants members and no more than 3 landlords. Appointed by Mayor, subject to Council approval for three-year staggered terms Rent Board mediates disputes, determine penalties for violations, recommend amendments to ordinance, and prepare annual report on rental housing availability
Other Provisions	Landlord not allowed to raise rent above the cap if unit is not compliant with codes and regulations; further defines retaliation; creates fund for fines and fees to support administration of rent stabilization; newly-created units need to be registered; prohibits use of algorithmic rent setting devices	Defines retaliation and "just cause vacancy" that allows for termination of tenancy with adequate notice (e.g., occupancy by property owner or family member in good faith, conversion to exempt type of unit, rehabilitation or renovation and responsibilities of landlord after no-fault end of tenancy	Allows landlords to bank rent increases, but the total increase in a single year may not exceed 10% 90-day notice for rent increases or landlord ending tenancy, unless termination is for cause or the landlord reimburses the tenants' rent Defines discrimination and setting price after removing unit from market
Year Passed	Proposed 2026	First enacted May 1, 2022. Amended Jan 2023. Amended May 2025 to include further exceptions on new construction	2020, went into effect Jan. 1, 2021
Research related to impact		Ahern, Kenneth Robinson and Giacoletti, Marco, The Redistribution of Housing Wealth Caused by Rent Control (2022)	Portland Rent Board Annual Report (2024) Portland Rent Board Annual Report (2023) Portland Rent Board Annual Report (2022)

Selected Rent Stabilization Policies

State Laws

	Rhode Island (proposed)	California	Oregon
Rent Cap	4%	5% + regional CPI, or 10%, whichever is lower	CPI-U Western Region + 7%; 6% for manufactured dwellings and marinas with more than 30 spaces
Building Exemptions	None	**Small buildings:** owner-occupied duplexes **New construction:** 15 years **Other exemptions:** deed-restricted affordable housing, college dormitories, units in cities with lower rent caps than the state regulation	**New construction:** 15 years **Other exemptions**: affordable units; medical, religious, or educational facilities; fraternal or social organizations; short-term rental
Hardships/ Cost Exceptions	**Necessary repairs and improvements** **Increase in municipal taxes or insurance** greater than 4% of the annual rent, but can't pass on more than that increase, divided by number of units, to tenants	None	Significant project to add, replace, repair, or upgrade infrastructure, which **must be approved by majority of tenants**
Vacancy Control/ Decontrol	**Vacancy control** when the landlord refuses to extend tenancy **Vacancy decontrol** when tenant leaves by their choice, the landlord is providing reduced rent to tenant as part of public program or subsidy, or the landlord is granted an exemption	**Full vacancy decontrol** (consistent with Costa-Hawkins Act)	**Vacancy control** when landlord terminates tenancy without cause during first year of tenancy **Vacancy decontrol** when unit is less than 15 years old, landlord is providing reduced rent as part of a public program or subsidy
Monitoring and Compliance	Secretary of Housing		

Selected Rent Stabilization Policies

State Laws (continued)

	Rhode Island (proposed)	California	Oregon
Other Provisions	Penalty for landlord violating this ordinance: 3 months' rent in addition to actual damages sustained by tenant	Requirements for landlord if they execute a "no cause eviction" Establishes "just cause eviction" for tenants who have resided in a unit for longer than 12 months	Sets minimum notice timelines for terminating tenancies of different lengths, also guidelines for turning tenancy from fixed-term to month-to-month Requires 90-day notice for rent increases, as well as facts supporting exemption if an exemption applies A landlord that increases rent in violation of this section shall be liable to the tenant in an amount equal to 3 months' rent plus actual damages suffered by the tenant Right to damages and remedies
Year Passed	Proposed 2026	2019; Sunsets in 2030	2019

Differences in Proposed Providence Ordinance and State Bill

	<u>**Providence Amended Ordinance**</u>	<u>**Rhode Island 2026 Bill (H8108/S2271)**</u>
Rent cap	4%	4%
Building Exemptions	**Small buildings:** 1-4 unit buildings, where owner lives, plus one additional small building owned by the same person **New construction:** 10 years from initial occupancy. 20-year exemption if workers paid prevailing wage and registered apprentices were part of construction **Other exemptions** (see bill for all): institutional housing, sale-to-occupant, transitional housing, deed-restricted affordable housing, public and subsidized housing, employee housing, temporary owner absence	None
Hardships/ Cost Exceptions	**Capital improvements:** Major improvements that extend the building's life; not regular maintenance or repairs **Property tax increases:** If property taxes jump more than 5% in one year, landlords can increase rent by part of that tax increase divided among covered units Petitions limited to 10% increases in a year	**Necessary repairs and improvements** **Increase in municipal taxes or insurance** greater than 4% of the annual rent, but can't pass on more than that increase, divided by number of units, to tenants
Vacancy Control/ Decontrol	Full vacancy control	**Vacancy control** when the landlord refuses to extend tenancy **Vacancy decontrol** when tenant leaves by their choice, the landlord is providing reduced rent to tenant as part of public program or subsidy, or the landlord is granted an exemption

Differences in Proposed Providence Ordinance and State Bill (continued)

	Providence Amended Ordinance	Rhode Island 2026 Bill (H8108/S2271)
Monitoring and Compliance	**Compensated Rent Board:** five appointed members (four by President of City Council, one by Mayor) for five-year staggered terms, all need to be residents of Providence Rent Board can approve rent increases, order refunds for overcharges, rollback illegal increases, reduce rent if services have declined, issue fines for violations	Secretary of Housing
Other Provisions	Petitions by landlord to raise rent above the cap will not be granted if unit is not in compliance with relevant codes and regulations Further defines retaliation Creates fund for fines and fees to support administration of rent stabilization Newly-created units need to register Prohibits use of algorithmic rent setting devices	A landlord that increases rent in violation of this section or wrongfully evicts a tenant shall be liable to the tenant in an amount equal to 3 months' rent in addition to actual damages sustained by tenant as result of termination If the landlord's conduct motivated by malice or ill will, or when their actions are reckless or callous indifference to the section's requirements, the court may award punitive damage