

Letter from the Editor's Desk
Oakland Rent Rate Increases for 2005!
by Kathy Lautz

The City of Oakland, Residential Rent Adjustment Program uses the Consumer Price Index (CPI) Rate, less shelter for rent adjustment calculations. On April 1, the Residential Rent Adjustment Program announced that the rate changed from .7% to the new rate of 1.9%.

A qualifying rental property owner in Oakland may serve a 30 day notice to increase the rent to tenants using the new rate on May 1, 2005, or sufficiently in advance of the tenant's anniversary date to comply with state law (California Civil Code 827) whichever is later.

On April 1, the Residential Rent Adjustment Program announced that the rate changed from .7% to the new rate of 1.9%.

Remember that an Oakland landlord cannot give more than one rent increase in any twelve month period, even if the tenant is on a month to month status and that a notice to increase the rent must be at least a 30 day notice (60 days re required if the tenant has lived there a year or more and the rent increase is greater than 10%. This is not likely in Oakland, unless the landlord has made significant capital improvements to the rental property.)

Remember too, that a rent increase notice must be served just like any notice, following the rules. You must either deliver the notice of rent increase personally or mail it. Do not use certified mail, just regular first class mail. If you mail the rent increase notice to your tenant, you must add 5 days to your notice period. Your 30 day notice becomes a 35 day notice. Be sure to calculate carefully when you serve your rent increase notices so that it will start on the correct day, usually the first of the month. Otherwise, the rent increase must be prorated. There is of course, no reason why you cannot give a longer notice of increase, but 30 days is the minimum with personal service.

In Oakland, a landlord must give a supplemental Notice to Tenants of Residential Rent Adjustment Program with every notice to increase rent. You can get this form from the Residential Rent Adjustment Program by calling (510) 238-3721 or by visiting their website at <http://www.oaklandnet.com/government/hcd/rentboard/index.html>.

In rent controlled areas, we highly recommend that the maximum allowable increase be given to your tenants every year. Although you may be able to "bank" increases into the future, it will become more difficult to give higher increases later, even if they are allowed. Keeping the rents at market rate also maintains the property value should you decide to sell your building. Remember that the value of a building is calculated based partially on what the current rents are. The higher the rents, the higher the building's value.

If you are a member of AOA, please call our office to get the proper forms for rent increases in Oakland for the fiscal year beginning in May 2005. We are here to assist our AOA members and we're just a phone call away. Please call (510) 769-7521 or email kathy@aoausa.com.