



RENT CONTROL ORDINANCE - Frequently Asked Questions

(This is not a comprehensive summary of all the requirements of City Code, please refer to the Code of Ordinances and consult with an attorney to ensure compliance with all Federal, State, and municipal regulations)

1. Does the Rent Control Ordinance apply to all rental units in Portland?

The ordinance applies to all rental units in Portland, including short-term rentals.

The following types of units are exempt from the limits placed on rent increases:

- Units in an owner-occupied building containing either 2, 3, or 4 dwelling units;
- Units where rent is publicly controlled or subsidized (such as Section 8, GA, etc.);
- Accessory dwelling units;
- Units owned, operated, or managed by municipal housing authorities (such as Portland Housing Authority);
- Accommodations in a hospital, convent, church, religious facility, or extended care facility;
- Dormitories owned and operated by an institution of higher education or by Portland Public Schools

2. What is the Base Rent for a unit?

The *Base Rent* is the amount of rent charged for the unit in of June 2020. If the unit was vacant on that date, was not a rental, or did not exist, the Base Rent is the amount of rent agreed to by the first tenant.

3. How much can a landlord increase rents? (See examples on last page)

A landlord may only increase rent once every 12 months by an amount that conforms to the following:

- a. Allowable Increase Percentage: In 2023 a landlord may increase the rent by 7% of the *Current Rent*.
 - The *Allowable Increase Percentage* is established and published by the City of Portland's Housing Safety Office every September 1st to be used for the following calendar year.
 - The *Allowable Increase Percentage* in 2022 was 4.3%
- b. New Tenancy: A landlord may increase the rent by 5% of their *Base Rent* when a new tenant occupies a unit, but only if the previous tenancy was terminated voluntarily.
- c. Banked Rent: A landlord may use *Banked Rent* to increase rent.
- d. Additional Rent Board Approved Increases: A landlord may seek approval from the Rent Board by submitting an application to increase rent "to amount necessary to ensure a fair rate of return".

* **At no time may a Landlord raise rent of a Covered Unit by more than 10%.**

* **Landlords may not raise rent of a Covered Unit within 12 months of a previous rent increase.**



4. What is Banked Rent?

If a landlord did not use an allowable increase that they were eligible for under question 3 of this FAQ they can “bank” that amount to use in a future year. Any rent increases available to a Landlord in excess of 10% must be banked for later use.

5. What kind of notice must a landlord give tenants before a rental increase?

Before increasing the rent of a *Covered Unit*, a landlord must give tenants notice of any rent increase at least 90 days in advance. The notice must be in writing and must include: the landlord’s signature, the date which tenancy began, the date the increase will take effect, the amount of the increase, any remaining banked rent not included in the increase, and the reasons for the increase in rent (in question 3, a-d).

6. How much notice must a landlord give tenants before terminating tenancy?

A landlord must provide a tenant with a minimum of 90 days’ notice, except for the following:

- A landlord can evict a tenant with 7 days’ notice “for cause”, such as if the tenant destroys property or violates certain terms of the agreement.
- A landlord may terminate a tenancy by notice of 60-89 days if they if they provide an amount equal to one months’ rent for the inconvenience of terminating their tenancy; or,
- A landlord may terminate a tenancy by notice of 30-59 days if they provide an amount equal to two months’ rent for the inconvenience of terminating their tenancy.

7. What other requirements should tenants and landlords be aware of under this new ordinance?

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- Landlords may not charge application fees to potential tenants.
- Landlords may not require an amount more than one month of rent for a security deposit.
- Landlords must provide tenants with the City’s Rental Housing Rights Document at the start of a unit’s rental and any time the document is updated. This document can be found on the City of Portland Housing Safety webpage.
- Landlords must keep a signed acknowledgement of the receipt of the City’s Rental Housing Rights Document on file for three years;
- Landlords may not discriminate against tenants on the basis of their source of income or participation in various types of subsidized housing programs, such as Section 8, General Assistance, and others.
- No provision of the ordinance may be waived by a tenant, by agreement or otherwise.



Examples of allowable rent increases: *(These are examples only, please consult with an attorney with questions about your specific situation)*

1. Allowable Increase Percentage: The allowable increase percentage shall be determined on September 1 of each year. The Allowable Increase Percentage for 2023 is 7%

Example: Assume *Current Rent* is \$1500/month and the Allowable Increase Percentage is 7%.

$$\$1500 \times 7\% = \$105 \longrightarrow \$105 + \$1500 = \$1605 \text{ (new rent amount)}$$

2. New Tenant: Rent may be raised up to 5% of the *Base Rent* when there is a new tenant and the previous tenant left voluntarily

Example: Assume *Base Rent* is \$1300/month and the *Current Rent* is \$1500

$$\$1300 \times 5\% = \$65 \longrightarrow \$65 + \$1500 = \$1565 \text{ (new rent amount)}$$

3. Banked Rent: If a landlord had an allowable increase that they did not use, they may bank that amount and increase rent by the Banked Rent at a later date. A landlord may not raise rent more than 10% in a rental year.

Example 1: Allowable Increase Percentage was 4.3% for 2022, but the landlord did not increase rent for the covered unit in 2022. The Landlord could “bank” an amount equal to 4.3% of the rent to use in a future year.

- Assume rent was \$1500 Jan 1, 2022 and landlord did not increase the rent in 2022, they would have \$64.50 (4.3% of \$1500) of Banked Rent remaining to use in a future year.

Example 2: Annual Increase Percentage is 7% of *Current Rent* for 2023 and a New Tenancy allowable increase is 5% of *Base Rent*. Landlord raises the rent the maximum 10% in 2023, and the Landlord must “bank” the remaining amount to use in a future year.

- Assume *Base Rent* is \$1300/month and the *Current Rent* is \$1500

$$\$1500 \times 7\% = \$105 \ \& \ \$1300 \times 5\% = \$65 \longrightarrow \$105 + \$65 = \$170 \text{ (Total eligible increases)}$$

*** At no time may a Landlord raise rent of a Covered Unit by more than 10%.**

$$10\% \text{ of } \textit{Current Rent} \text{ is } \$150, \text{ eligible increases total } \$170 \longrightarrow \$170 - \$150 = \$20$$

Landlord could increase rent by \$150 and bank \$20 for a future increase

$$\$1500 + \$150 = \$1650 \text{ (new rent amount)} \ \& \ \$20 \text{ in } \textit{Banked Rent} \text{ remaining}$$