



# Reference Guide for Realtors/Buyers

## How to assist prospective purchasers of Berkeley rental properties

Rent Stabilization Board

Most of the rental units in the city of Berkeley are covered by some portion of the Rent Stabilization and Eviction for Just Cause Ordinance. There are over 19,000 rental units in Berkeley whose rents are currently fully controlled. In addition, with few exceptions, even Berkeley tenants who do not live in rent-controlled units are protected under the “Eviction for Just Cause” section of the Ordinance. This is why all new landlords should be aware of these laws and apprised of their rights and responsibilities before purchasing Berkeley property. The following is provided as a brief explanation of the rules that affect rental property owners in Berkeley. For further information, please contact a Rent Board Housing Counselor by calling (510) 981-7368.

### Which units are covered by rent stabilization?

- Multi-unit buildings built before 1980
- Single family homes where the current tenancy began prior to January 1, 1996

### Which units are partially or fully exempt from rent stabilization regulations?

- Newly constructed rental units that have received a certificate of occupancy issued after June 30, 1980
- Single-family homes where the current tenancy began after January 1, 1996
- Condominiums: Some condominiums have some rent control regulations attached to them Always contact a Housing Counselor regarding condominium questions
- Live-work spaces where the residential portion of the building constitutes “new construction”
- “Golden” Duplexes (a duplex where one of the units was owner-occupied in 1979 is exempt from both rent control and just cause for eviction if and only if there is at least a 50% owner of record occupying one of the two units on the property)
- Accessory Dwelling Units (ADUs): Tenancies started after November 7, 2018, on properties where one unit is an ADU and either unit is owner-occupied

\*The Rent Ordinance was amended in November 2024, and exemptions have changed. Please see our website for more information.

### Rent Board Registration requirements

- Landlords should notify the Rent Board immediately after purchasing their buildings
- Failure to timely register rental units could restrict the landlord’s rights to increase rents and/or evict tenants even if the landlord has a ‘just cause’
- The annual Rent Board registration fee is due July 1st of every year
- Penalties are assessed when a landlord fails to timely pay the registration fee
- Property owners are responsible for outstanding debts of previous landlords

## **Just Cause required for eviction**

With limited exceptions (golden duplexes and owner-occupied shared rentals being the most notable ones), Berkeley tenants are protected by the “Just Cause required for eviction” section of the Rent Ordinance. Owner Move-In (OMI) and “Ellis” evictions are common for new buyers. However, these methods carry significant restrictions and tenant protections. These protections are often connected to the age/disability of the tenant and the length of their tenancy. It is important to determine whether there are any protected tenants living in these rent-controlled units if the buyer intends to purchase the rental unit(s) for his/her occupancy.

## **Check with the Rent Board before purchasing**

Please encourage your clients to contact a Rent Board Housing Counselor for further explanation regarding landlords’ rights and responsibilities under the Rent Ordinance. Apart from an extensive and well-maintained database, the Rent Board also has property files for many rental units. These files can give prospective buyers a sense of the condition of the property and provide important information regarding Rent Board decisions that may affect a new owner. While much of the information is available online at our website [rentboard.berkeleyca.gov](http://rentboard.berkeleyca.gov), Rent Board Housing Counselors are also available to speak with realtors and prospective buyers about specific properties. Please call (510) 981-7368 for more information.

## **6 things you can do to protect your client**

1. Prospective buyers should always request a printout of the tenancy information from the Rent Board’s Rent Registry in order to determine the apparent rent levels for all registered units and if any fees or penalties are outstanding. The buyer should also ensure that the prior owner transfer the tenants’ security deposits to them (or be aware that the new buyer is responsible for returning these deposits as required by state and local law).
2. Call the Rent Board and speak to a housing counselor regarding the property, and ask if there is a property file. Prospective buyers who want to review a property file should submit a public records request through the City’s NextRequest portal.
3. Notify clients of the requirement to contact the Rent Board and update us regarding new ownership and change in a unit’s status (even if the unit will no longer be rented).
4. Make sure prospective buyers are aware of the July 1<sup>st</sup> deadline to pay the Registration Fee and that they are responsible for any outstanding fees or penalties that have not been paid by the previous landlord.
5. Maintain good relations with the tenants in the units. Your courtesy during the sale may avoid problems for your client later.
6. Be aware that the sale or foreclosure of a property is not “just cause” for evicting current tenants. They have a right to remain in their unit unless the landlord has “just cause” to evict. Tenants in properties under foreclosure or sale do not have to accept “cash for keys” or other incentive offers. Please contact the Rent Board for more details.