



# Housing Advisory Commission

## Attachment 2

### Rent Increase Estimates with Variable Rent Stabilization Rates

This attachment provides estimates of rent changes over time in Albany, compares historical rent increases to the limits established under state law, and illustrates the effect of cumulative rent increases on housing costs over a multi-year period. This information is intended to support the Housing Advisory Commission's and public's understanding of recent rent trends and their potential long-term impacts on tenants.

#### Average Albany Rents, and Results of Two Policy Constructs

**From 2019 to 2023, average gross rents in the City of Albany increased from approximately \$1,856 to \$2,389**, according to the U.S. Census Bureau's American Community Survey (ACS) 1-Year Estimates. **This reflects a cumulative increase of 28.7% over the five-year period.** These figures represent average rents across all unit sizes and may be affected by changes in survey response patterns, unit mix, and sampling variability. Average rents include long-term tenancies subject to state rent stabilization under AB 1482, new tenancies established during the period (for which rents were reset at market rates following vacancy decontrol), and exempt units. ACS data are estimates and should be interpreted with caution due to associated margins of error, and 2024 estimates have not been released as of this report date.

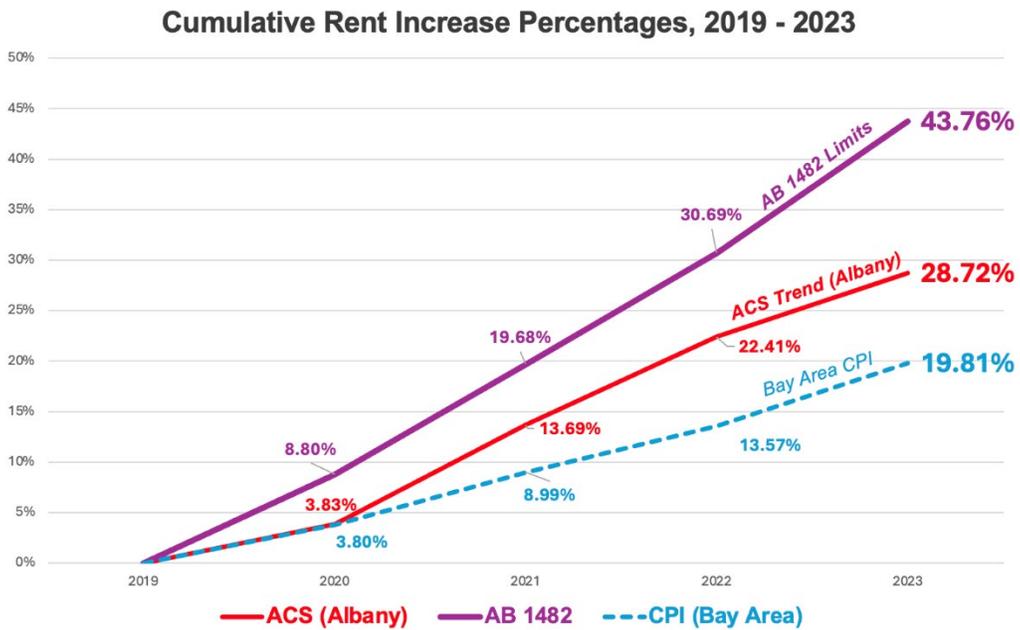
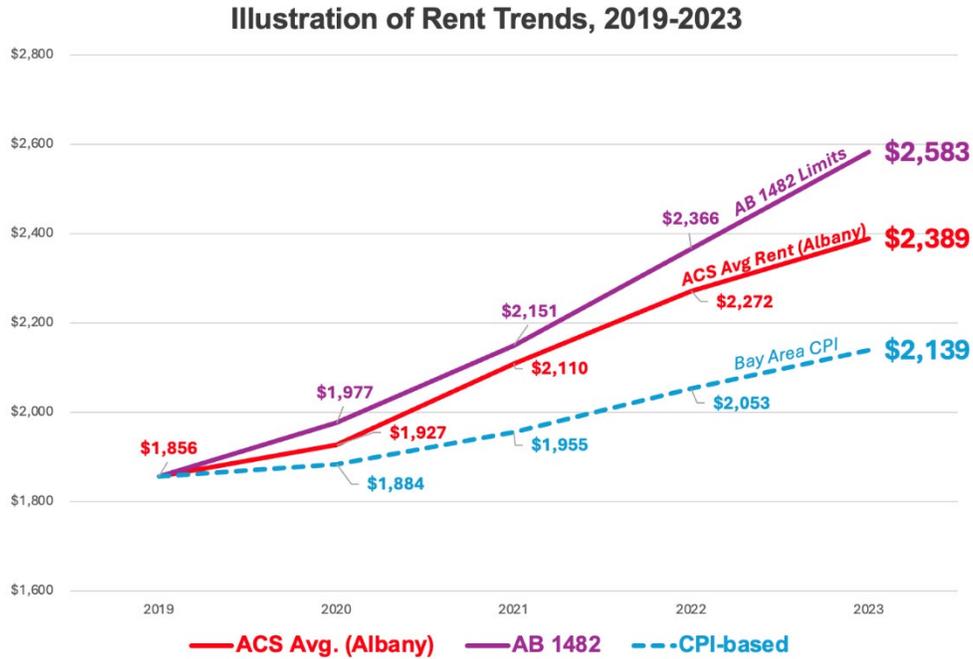
Since January 1, 2020, California's Assembly Bill 1482 has imposed a statewide cap on rent increases for most non-exempt units. The law limits annual rent increases to the lesser of 5% plus the regional Consumer Price Index (CPI, published by Bureau of Labor Statistics from April-March of the prior year), or 10%. Those rent increases for the San Francisco–Oakland–Hayward in these years were:

- April 1, 2019 – March 31, 2020: 6.5% (CPI: 1.5%)
- April 1, 2020 – March 31, 2021: 8.8% (CPI: 3.8%)
- April 1, 2021 – March 31, 2022: 10.0% (CPI: 5.0%)
- April 1, 2022 – March 31, 2023: 9.2% (CPI: 4.2%)
- April 1, 2023 – March 31, 2024: 10.0% (CPI: 5.5%)

For illustration purposes only, these rent increase limits can be applied to the \$1,856 average 2019 ACS Albany rent (assuming unit is non-exempt, no turnover in tenancy, etc.) **AB 1482 would limit this hypothetical rent at \$2,663 in 2023, a 43.5% cumulative increase over the 2019 rent level.**

Some California localities have passed local rent increase limits tied to the CPI (or a percentage of CPI), for units non-exempt from local rent control. If the 2019 average Albany rent of \$1,856 had increased strictly in accordance with the Bay Area CPI, the 2023 rent would be \$2,139, a 19.81% cumulative increase.

The following charts illustrate these theoretical policy comparisons as cumulative rent increase percentages and as dollar values relative to the \$1,851 average 2019 rent:



Sources: American Community Survey, Bureau of Labor Statistics