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HAPPY 4th of July

Happy Independence Day

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HAPPY 4TH OF JULY!

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**LOFT LANDLORD
TENANT LAW UPDATE**



Law Offices of Phoenix Thottam - PhoenixThottamLaw.com

July 20, 2025 Newsletter: Los Angeles Landlord Rental Laws Update - July 2025

Welcome to our July 2025 update on key developments in Los Angeles landlord-tenant laws. As rental regulations continue to evolve, staying informed is crucial for compliance and risk management. This newsletter highlights significant changes effective in 2025, drawing from the most recent published state and local legislation. Please note that this is for informational purposes only and does not constitute legal advice. We recommend consulting with an attorney for guidance tailored to your specific situation. For personalized assistance, contact us at PhoenixThottamLaw.com.

1. Rent Increase Limits Under the Rent Stabilization Ordinance (RSO)

The Los Angeles Housing Department has updated the allowable annual rent increase for RSO-covered units (generally, multifamily buildings constructed before October 1978). Effective July 1, 2025, through June 30, 2026:

(1) RSO Increase July 1, 2025-June 30, 2025 -- Base increase: 3%. (2) Additional 1% if the landlord pays for gas. (3) Additional 1% if the landlord pays for electricity. (4) RSO Maximum allowed rent increase is therefore a total: 3-5%. (depending on utility payment arrangements).

This is based on the Consumer Price Index (CPI) formula. For non-RSO units (e.g., newer buildings or single-family homes), statewide caps under California's Tenant Protection Act (AB 1482) apply, limiting increases to 5% plus local CPI (currently 8.9% through July 31, 2025). In unincorporated Los Angeles County areas, rent increases are restricted to 60% of the CPI change starting January 1, 2025, with luxury units potentially allowing up to an additional 2% (not exceeding 5%).

Landlords must provide proper notice (at least 30 days for increases under 10%, 90 days for over 10% increases (applies to month-to-month tenancies and all rental unit types)) and ensure compliance to avoid penalties.

2. Security Deposit Rules and Enhanced Transparency

California's security deposit limits remain at one month's rent for most properties (effective since July 1, 2024), with exceptions for small landlords (owning no more than two properties with four or fewer units total) who may charge up to two months. A key 2025 update requires greater transparency:

NOTE: For tenancies starting on or after July 1, 2025, landlords must take time-stamped photographs of the unit immediately before or at the start of the tenancy, after the tenant vacates (before any cleaning or repairs), and after repairs/cleaning.

These photos must be provided to tenants to support any deposit deductions, reducing disputes. No additional fees can be charged for pet damage or cleaning beyond the deposit cap. Failure to comply could lead to disputes or legal challenges. Small landlords should document eligibility for the two-month exception.

3. Mandatory Rent Payment Reporting Option

Under AB 2747, landlords of properties with 15 or more units must offer tenants the option to report positive (on-time) rent payments to at least one nationwide credit reporting agency. more Key details:

For new leases after April 1, 2025: Offer at signing and annually thereafter.

For existing leases: Offer by April 1, 2025, and annually.

Landlords may charge up to \$10 per month for actual reporting costs.

Exemptions apply to smaller owners unless they are corporations, REITs, or LLCs with corporate members. This aims to help tenants build credit but adds administrative duties for landlords. Similar rules apply to affordable housing developments (SB 924).

4. Eviction Procedures and Tenant Protections

Eviction processes have been updated for fairness:

Tenants now have 10 court days (up from 5) to respond to unlawful detainer complaints for non-



Economic Forecasts

GDP growth

1.7% in '25, but slowing to 1.0% in second half of year

Interest rates

Pickup in inflation later will keep 10-year in mid-4's a while

Inflation

3.6% at end '25, up from 2.9% at end '24

Unemployment

4.5% at end '25, up from 4.2% currently

Crude oil

Trading in the mid- \$60s per barrel for now

Lumber tariffs

Likely 34.5% (from 14.5% now) once federal rules come out in Aug.-Sept.



5. Registration, Fees, and Other Obligations

Annual Fee for Non-RSO Properties: A new \$31.05 per unit fee applies to non-RSO rentals (e.g., post-1978 buildings, single-family homes).

Due by February 28, 2025, with penalties up to 150% for late payment.

Property Registration: All landlords must register properties with the LA Housing Department and display registration certificates. Non-compliance may delay rent collection.

Pet Policies: Continue allowing pets adopted during the COVID-19 pandemic under amnesty rules.

Balcony Inspections: Deadline extended to January 1, 2026, for inspecting exterior elevated elements in multifamily buildings

Final Thoughts

These updates reflect California's ongoing focus on tenant protections while balancing landlord responsibilities. Non-compliance can result in fines, delayed evictions, or lawsuits. We encourage landlords to review leases, update policies, and maintain thorough documentation.

If you need help navigating these changes, our

payment of rent.caanet.org+2 more Just-cause eviction requirements remain under state law and LA's RSO, with relocation assistance mandated for no-fault evictions (e.g., owner move-in or substantial remodels). For domestic violence victims: Landlords must change locks within 24 hours of a documented request, at the landlord's expense. If not, tenants can change them and seek reimbursement within 21 days. Additionally, landlords cannot charge fees for rent payments by check or for serving notices.

team at the Law Offices of Phoenix Thottam is here to assist. Visit PhoenixThottamLaw.com or contact us at (310) 497-7255 today.

Best regards, Phoenix