

## Price Gouging Law and Residential Rental Properties

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The California price gouging law generally prohibits price increases of more than 10% during a declared state of emergency or local emergency (DSOE). It applies to a range of goods and services including residential rentals.

The state of emergency for Los Angeles County prohibiting price gouging in rental properties has been extended by the L.A. County Board of Supervisors **until May 28, 2026**. This extension applies to properties within Los Angeles County only and triggers the protections of Penal Code section 396. Previous modifications to PC 396 created by the Governor's Executive Orders have expired and are no longer in effect, even for Los Angeles County.

### When do the price gouging protections apply?

The price gouging protections are triggered by a declaration of a state of emergency from the Governor, the President of the United States, or a local government and continue for the period provided in the DSOE or any extension.

### How long do the price gouging protections remain in effect after a DSOE?

For rental housing, the price gouging protections will remain in effect for a minimum of 30 days but can be extended for longer periods. See below regarding current DSOEs for current expiration dates.

**What is the maximum increase in the rental price permitted under the price gouging law?** For most goods and services, including rental housing, the price gouging law prohibits an increase in price by more than 10%.

### Does it apply to a homeowner advertising their own property for rent?

Yes. It is unlawful for any person, business, or other entity, to increase the rental price advertised, offered, or charged for housing, to an existing or prospective tenant, by more than 10% during a DSOE.

### How is housing defined?

"Housing" means any rental housing with an initial lease term of no longer than one year, including, but not limited to, a space rented in a mobilehome park or campground.

### How is the base rental price determined?

There are three scenarios: 1) For housing rented within one year prior to the DSOE, the actual rental price paid by the tenant. 2) For housing not rented at the time of the DSOE, but rented, or offered to rent, within one year prior to the DSOE, the most recent rental price offered prior to the DSOE. 3) For housing not rented and not offered for rent within one year prior to the DSOE, 160% of the fair market rent established by HUD. The [HUD figures can be accessed at this link](#). Once the base rental price has been ascertained, the rent may be increased by an additional 10%. **Commencing October 1, 2025, the 2026 Fair Market Rents must be used.**

**New:** Los Angeles County, in addition to extending the price gouging protections to **May 28, 2026**, has increased the rental price formula for housing not rented and not offered for rent within one year prior to the DSOE to 200% of the FMR established by HUD to 200% of the HUD FMR as the base rental price. This price may be increased by up to 10% and an additional 5% if the rental is fully furnished.

**The HUD FMR tables indicate fair market rents for properties with up to four bedrooms. Can the rent be increased by 15% more for each bedroom if the unit contains more than four bedrooms?**

Yes. The FMRs for unit sizes larger than 4 bedrooms are calculated by adding 15 percent to the 4-bedroom FMR for each extra bedroom. For example, the FMR for a 5-bedroom unit is 1.15 times the 4-bedroom FMR, and the FMR for a 6-bedroom unit is 1.30 times the 4-bedroom FMR, and so on. See the HUD user portal for [“FY 2025 Fair Market Rent Documentation System”](#) or HUD’s [Notice of fiscal year 2025 Fair Market Rents on the Federal Register](#). **Commencing October 1, 2025, the [2026 Fair Market Rents](#) must be used.**

**Can I increase the rent by an additional 5% if the property is fully furnished?**

If the property was rented or offered for rent within year prior to the declaration of emergency, then the rent can be increased by a maximum of 5% if the housing was previously rented or offered for rent unfurnished, and it is now being offered for rent fully furnished. If the property had not been rented or offered for rent within one year prior to the declaration of emergency, then the rental amount may be increased by an additional 5% if it is being offered for rent fully furnished.

**How can I check if there is a current DSOE in effect?**

The Governor's Office of Emergency Services has a [chart showing the current price gouging protections](#) county by county and for the entire state as a result of Proclamations or Executive Orders issued by the Governor. For rental housing, the protections are in effect only if Penal Code 396 (e) or (f) are cited. Note that the chart does not show any DSOE by a local government. For example, there is presently (through **May 28, 2026**, but will likely be extended) a DSOE in Los Angeles County that was put into effect by the County Board of Supervisors. Additionally, the state attorney general posts an FAQ on the price gouging law. [“FAQs about Price Gouging in California”](#)

**If I rent a property that is outside of the county in which a state of emergency has been declared but is adjacent, does the price gouging law apply?**

It may. The statute does not restrict its protections only to the city or county where the emergency or disaster is located, but it is intended to prevent price gouging elsewhere in the state wherever there is increased consumer demand as a result of the declared emergency.

**New:** As of July 2, 2025, and through **May 28, 2026**, the DSOE in effect in L.A. County is the one declared by the County Board of Supervisors. This DSOE applies only to properties within L.A. County.

**What are the penalties for violating the price gouging law?**

The state Penal Code provides that violators are subject to up to one year in jail and a \$10,000 fine. Civil Liability can include penalties of up to \$2,500 per violation and restitution. Additionally, the DRE may enforce this law as a licensing violation. **Note:** The L.A. County Board of Supervisors has increased the maximum penalty for price gouging violations to \$50,000 for the duration of the local emergency.