

OFFICE OF RENT STABILIZATION

FAQs

**Department of Housing and Community Affairs
Montgomery County, MD**



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Banked Amounts

1. **Are banked amounts applied to individual units?** Yes.
2. **Can banked rent amounts be applied to any unit at the landlord's discretion?** No. Banked rent is individual to each unit and cannot be applied to another.
3. **Considering any bankable amount, what is the maximum allowable rent increase?** The maximum a landlord can increase rent is by 10%.
4. **If a building is sold, do banked rent increases transfer to the new owner?** Yes.

CPI-U

5. **Where can we check the CPI-U rate?** The CPI-U is published yearly on DHCA's webpage: <https://www.montgomerycountymd.gov/dhca/Tenants/RentStabilization.html>.
6. **If the CPI goes down between the beginning of the lease and the second year, do the higher rent increases permitted at the start of the lease stand?** The CPI is effective from July 1st until June 30th of the following year. You can only increase once during 12 months by the allowable amount. For multi-year leases, a rent increase is only allowed at the renewal or new lease signing. Any annual increases forgone during the multi-year lease can be banked for future leases.

Base Rent

7. **If a tenant who benefited from a family or employee discount of below-the-market rent vacates the apartment, can we adjust the rent to market value for new tenants?** The base rent for a unit excludes any rent concession. The rent for a new lease would be the base rent plus the current allowable increase.
8. **How do we determine base rent if a unit initially falls under rent stabilization, gets bought by a person who owns no other unit in Montgomery County (making it exempt), and then gets repurchased by someone who owns two rental units (making it rent stabilized again)?** The new base rent would equal the most recent lease.
9. **How is the base rent determined?** If a unit was occupied when the rent stabilization regulation took effect, then the rent charged at that time (excluding discounts) becomes the base rent. If the unit was vacant, the landlord has the discretion to set the base rent when re-renting the unit.

Rent Increases

10. **When can a landlord increase rent and by how much?** Rent increases are only allowed when renewing or signing a new lease (not during mid-lease). All lease terms must follow the current rent increase allowance. The first year of a multi-year lease applies to the subsequent lease years (e.g., in a 2-year lease, there is no increase in the second year; the tenant will be paying the same rent for 24 months). Any annual increases forgone during a multi-year lease can be banked for future increases. For month-to-month leases, rent can only be increased once every 12 months.

- 11. How do I notify a tenant of a rent increase?** A rent increase notice must be in writing and delivered through USPS mail or hand-delivered with a signed receipt. Although not required, DHCA recommends sending a copy by Certified Mail to ensure delivery.
- 12. Besides mail, can I also send a rent increase notification by other means?** Yes. Mailing a rent increase is required, but a landlord may also send it using the preferred contact method as a supplement.
- 13. Does a landlord have to void or provide a tenant with an amended increase notice if the previous notice is not compliant?** If a tenant receives a non-compliant rent increase notice, the landlord must amend the notice to comply with all the established guidelines. If the notice was not properly delivered or entails significant changes, the landlord must void the notice and reissue a new notice with a new 90-day period.

Petitions and Limited Surcharges

- 14. How can I apply for a surcharge to cover capital improvement expenses?** A landlord can submit a Capital Improvement Petition through the Rental Housing Portal.
- 15. What are some examples of capital improvements?** Per the IRS, some examples include: Additions: bedroom, bathroom, deck, garage, porch, and patio; Lawns & grounds: landscaping, driveway, walkway, fence, retaining wall, and swimming pool; Systems: heating system, central air conditioning, furnace, duct work, central humidifier, central vacuum, air/water filtration systems, wiring, security system, and lawn sprinkler system; Exterior: storm windows/doors, new roof, new siding, and satellite dish; Insulation: attic, walls, floors, pipes, and ductwork; Plumbing: septic system, water heater, soft water system, filtration system; Interior: built-in appliances, kitchen modernization, flooring, wall-to-wall carpeting, and fireplace.
- 16. How are capital improvement surcharges prorated for a building with various-sized units?** Approved limited surcharges must be limited to 15 or 20% of the current base rent for each unit affected. Regardless of size, the approved surcharge percentage would be divided equally among all affected units.
- 17. If we only renovate a single unit, does that qualify as a capital improvement?** If it is a capital improvement, you can apply for a limited surcharge for that unit.
- 18. How does the limited surcharge get applied to the rent?** If a limited surcharge is approved, a landlord can charge an annual rent increase plus the surcharge upon lease renewal (you cannot assess a surcharge mid-lease).
- 19. When can limited surcharges for capital improvements be charged?** Within 12 months of the completion of the capital improvements and application approval, but no sooner than the end of the current lease.
- 20. If a building has undergone renovations, can a tenant view a copy of the landlord petition?** Yes. A tenant can view a copy of the petition application through [eProperty](#). A landlord is also

required to notify the current tenants by US mail of the application and approval of the petition. An approved petition must also be disclosed in the lease.

21. If a property underwent renovations before it became regulated, are they exempt?

To be considered exempt from rent stabilization, a landlord must apply for a substantial renovation application. The renovations must cost at least 40% of the building's value.

Exemptions

22. Does rent stabilization apply to commercial units? No, rent stabilization applies to residential units only. If a commercial unit in a regulated property returns to the market as residential, it will fall under rent stabilization, and the landlord can set the base rent at their discretion.

23. Are landlords exempt if the property is located in the City of Gaithersburg, the City of Rockville, City of Takoma Park, the Town of Barnesville, and Laytonsville? Yes, they are exempt.

24. Are voucher holders exempt? Only units subject to government-regulatory agreements that limit occupancy to low- and moderate-income tenants (e.g., LIHTC, AMI restricted units) are exempt. Market units with voucher tenants (e.g., HVCP) are not exempt.

25. Are there protections for renters who live in an exempt unit? The Voluntary Rent Guideline (VRG) is published yearly for landlords, and DHCA strongly encourages adhering to the guideline. If a tenant experiences a high increase, they can contact MC311 for further assistance.

26. How do I know if my unit is rent-stabilized (regulated)? For the unit to be considered regulated, the property must be at least 23 years old and not fall under any current exemptions. You may visit <https://www.montgomerycountymd.gov/dhca/Tenants/RentStabilization.html> to check on the exempt status of your unit. You may also contact MC311.

27. When does the 23-year exemption begin? The year built listed in the Maryland SDAT determines the start of rent stabilization compliance. Therefore, a property listed by SDAT as built in 2002 must begin to comply with rent stabilization as of January 1, 2025. The public can view the year built by visiting [eProperty](#) and searching the address.

Fees

28. If a landlord charges a non-allowable fee or charges more than allowed, do they have to reimburse the tenants? Yes. Landlords must remove any nonallowable monthly fees and reduce the allowable fees to comply with the fee limitations. Any additional collected fees must be refunded or credited to the tenant's account.

29. Can a landlord of a regulated rental unit increase the parking fee mid-lease if it has been 12 months since the last increase? Yes. A landlord can increase a fee by the allowable amount once in a 12-month period. A 90-day written notice must be sent before the increase.

30. Which fees are allowed? The allowable fees per rent stabilization regulations are listed, below. If a landlord wants to charge any other fee, it must be voluntary, and tenants must be able to opt in.

The following fees are effective as of July 1, 2025:

Type of Fee	Maximum Fee
Application Fee	\$25 or the actual documented cost of credit check and other screening costs.
Pet Fee	Up to \$308.10 refundable pet deposit. * Up to \$25.67/pet/month. *
Lost Key Fee	The actual cost to the landlord, plus \$25.
Lock Out Fee	\$25.67 per lockout*. If a third party is used, the actual charge for the service. The two fees cannot be combined.
Secure Storage	No fee for storage located within, attached to, or associated with a unit.
Internet or Cable Television	The actual cost to the landlord is divided by the number of rental units voluntarily opting in.
Motor Vehicle/Motorcycle Parking Fee	An increase of 2.7% from the current fee. * No new Parking Fee is allowed without DHCA approval.
Bicycle Fees	Cannot exceed the following fraction of any motor parking fee (Section 29-35A): (1) one-sixth, for a secure, fully enclosed bicycle locker; or (2) one-tenth of any other bicycle parking space.

* Fee can be increased by CPI-U on an annual basis.

31. Is the refundable pet deposit fee per pet or for the total? The landlord may collect a pet deposit, per pet. However, the pet deposit plus security deposit must not exceed one month's rent.

32. Is a landlord allowed to charge for receiving packages through a third party (e.g., Package Concierge, Luxer, etc.)? A property may partner with a third-party service that charges a fee for receiving packages on-site. If tenants choose to utilize this service, the third party may collect the associated fee. The tenant may not be charged the fee unless they voluntarily sign up for the service.

Please note: if storage is associated with a unit (e.g., a tenant lives in Apartment 305, and a mailbox shows 305), the complex may not charge for access and use of the storage.

Property Information

33. How can I view the previous rent charge for my unit? Landlords must enter each unit's current rent charges and increases in the DHCA's Rental Housing Portal. The public can view all entered

information by visiting [eProperty](#), searching the address, and then clicking on the “Rental Housing Portal” link > “View Property Details” > “View Details” for the selected unit.

Alleged Violations

- 34. How do I file a complaint against a landlord for unallowed fees or rent increases?** You can contact the MC311 Customer Service Center by dialing MC311 or (240) 777-0311 to have a representative from the Office of Rent Stabilization contact you. To create a Service Request online, please visit <https://www.montgomerycountymd.gov/mc311/>.

Annual Survey

- 35. Should a landlord report rent and fee charges on the Rental Housing Portal if they’re completing the Annual Survey? Is a landlord required to fill out an Annual Survey if they are reporting rent and fee charges through the Rental Housing Portal?** Yes. DHCA is transitioning to having landlords register rent and fee charges through the portal and moving away from the Annual Survey. However, landlords are still required to submit the Annual Survey in addition to reporting online until the transition is complete.