

## OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

## MEMORANDUM

February 4, 2022

TO: Gabe Albornoz, President

Montgomery Council

FROM: Marc Elrich, County Executive

SUBJECT: Voluntary Rent Guideline (VRG) for 2022

Today, the County will announce the 2022 Voluntary Rent Guideline consistent with the requirements of County law. The Voluntary Rent Guideline is updated annually to represent the prior year increase in the rental component of the Consumer Price Index for the Washington Metropolitan Area.

Based on that calculation, the Voluntary Rent Guideline will be set at 0.4%, effective today, February 4, 2022. The Voluntary Rent Guideline for 2021 was 1.4%.

The Voluntary Rent Guideline represents the maximum rent increase allowed under Bill 30-21 Restrictions During Emergencies – Extended Limitations Against Rent Increases and Late Fees passed in November 2021, prohibiting landlords from notifying tenants of a rent increase greater than the Voluntary Rent guideline until after May 15, 2022.

This means that, beginning today, February 4 and continuing until May 15, 2022, landlords must not notify tenants of a rent increase greater than 0.4%, which must provide 90 days before the rent increase takes effect.

Any notices of rent increase issued prior to February 4, 2022 are limited to 1.4%. A notice of rent increase provided to the tenant at least 90 days in advance may take effect if it meets these and other requirements.

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This limit on rent increase notices applies to all County licensed residential rentals, including rental units in multifamily buildings, houses, townhouses, individual condominium units, and accessory dwelling units.

This change of the Voluntary Rent Guideline, and its implications for rent increase notices, will be communicated today with the publication of the County Executive's annual letter in the County Register and on the Department of Housing and Community Affair's (DHCA) webpage, a press release announcing the change, and an email from DHCA to all licensed landlord and property management contacts. DHCA will include this information in its tenant and landlord outreach activities, including webinars.

Please contact Frank Demarais, 240-701-7456, with any questions.

Attachment



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February 4, 2022

## Dear Owner/Manager:

This month marks the thirty-ninth year since the expiration of rent controls in Montgomery County. The Voluntary Rent Guideline system in place over these years has helped both government and the real estate industry relate inflationary pressures to rent increase in this region.

The figures from the U.S. Department of Labor on which the Voluntary Rent Guideline are based show the increase in the rent component of the Consumer Price Index for 2021 for the Washington-Metropolitan area to be .4% percent. Based on that information, the Voluntary Rent Guideline for Montgomery County will be set at .4% percent.

I realize there are extraordinary pressures on landlords during this ongoing pandemic with its increasing economic pressures but there are also extraordinary pressures on renters. We must all work together during this crisis.

Your cooperation in keeping rent increases moderate and within the Guideline is appreciated. Please direct any questions or observations that you may have about the Guideline to the Office of Landlord-Tenant Affairs, Division of Housing, Department of Housing and Community Affairs, at (240) 777-0311.

Sincerely,

Marc Elrich

County Executive