

Price Gouging Law and Residential Rental Properties

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.

When do the price gouging protections apply?

The price gouging protections are triggered by a proclamation of a state of emergency from the Governor, the President of the United States, or a local government.

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.

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 mobile home 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](#).

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. 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.

What are the penalties for violating the price gouging law?

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.