California's Rent Cap and Just Cause Law (AB 1482)

Questions and Answers

California's rent cap and just cause law (AB 1482) took effect on January 1, 2020. With some exceptions outlined below, it applies to most residential rental properties in California. AB 1482 has two parts: (1) rent caps and (2) just cause. With respect to rent caps, AB 1482 prohibits landlords from increasing rent by more than 5 percent plus "the percentage change in the cost of living" (CPI) over any 12-month period. With respect to "just cause," once the resident or residents have lived in the unit for a specified time, the landlord is prohibited from terminating a month-to-month tenancy or choosing not to renew a fixed term lease unless a specific reason (just cause) is given for the termination.

AB 1482 does not apply to certain properties, including (1) most single-family homes and condominiums (if notice of the exemption is provided in the rental agreement), (2) housing built within the last 15 years, and (3) most properties subject to local rent control and just cause eviction ordinance.

CAUTION: NEW RULES TAKE EFFECT APRIL 1, 2024: Effective April 1, 2024, Senate Bill 567 amends AB 1482 in three main ways: (1) adding requirements for landlords who wish to terminate a tenancy based on AB 1482's no fault just cause for owner move-in, (2) adding requirements for landlords who wish to terminate a tenancy based on AB 1482's no fault just cause for substantial remodel and (3) adding penalties for violation of AB 1482's rent cap and just cause provisions. Each of these changes is discussed in more detail below.

Applicability and Exemptions

Applicability and Exemptions: Generally [back to top]

1. **Does AB 1482 apply to my property?**
   AB 1482 applies to most residential rental properties in California that are not already regulated by a local rent control or just cause ordinance. It does provide a number of exemptions from its provisions. You can use the link provided below to determine whether the rent caps and/or just cause provisions of AB 1482 apply to your property:
   www.caanet.org/ab1482/

   The following properties are exempt from both rent caps and just cause under AB 1482:
   - **"New construction":** Housing issued a certificate of occupancy within the last 15 years.
   - **"Separately Alienable Property":** Non-corporate single-family homes/condos (residential real property that is alienable separate from the title to any other dwelling unit) IF (1) the owner is not a real estate investment trust, a corporation, or a limited liability company in which at least one member is a corporation AND (2) the owner provides the resident with a written notice of the exemption, as outlined below.
   - **Owner-occupied duplexes:** A property containing two separate dwelling units within a single structure in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy, and neither unit is an accessory dwelling unit or a junior accessory dwelling unit.
   - **"Affordable housing":** Housing restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code, or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code or comparable federal statutes.

   The following properties are also exempt from the just cause provisions of AB 1482:
   - **Shared Facilities:** Accommodations in which the resident shares bathroom or kitchen facilities with the owner.
   - **Non-Duplex Owner-Occupied Properties:** Single-family owner-occupied residences, including a residence in which the owner occupant rents or leases no more than two units or bedrooms, including, but not limited to, an accessory dwelling unit or junior accessory dwelling unit.

Type of Property	Covered by CA Rent Control[i]	Covered by CA Just Cause	Exempt from State Law
Built within Last 15 years (any type)			X
Affordable Housing (any type of property, see definition[ii])			X
Single-Family Home or Condo[iii]			
Owned by REIT, Corporation or LLC with corporation as member	X	X	
Other ownership			X (if notice provided to residents)
Two Units on a Parcel (Duplex, SFH and ADU, etc)			
One unit occupied by the owner			Exempt from just cause, some units exempt from rent control.[iv]
Neither unit occupied by the owner	X	X	
Three Units or More, not affordable, not built within last 15 years	X	X	

2. **Does AB 1482 apply to a triplex or 4-plex owned by individuals or LLCs with no corporate members?**
   AB 1482 generally applies to triplexes or 4-plexes, regardless of the manner in which they are owned, unless they qualify for the "affordable housing" exemption (see "Applicability and Exemptions – Affordable Housing" below) or were built within the last 15 years (see "Applicability and Exemptions – New Construction "below).

3. **Does AB 1482 apply to accessory dwelling units?**
   The rent cap provisions of AB 1482 generally apply to accessory dwelling units unless they qualify for the "affordable housing" exemption (see "Applicability and Exemptions – Affordable Housing" below) or were built within the last 15 years (see "Applicability and Exemptions – New Construction" below). The just cause provisions of AB 1482 also apply to accessory dwelling units unless they:
   (A) Qualify for the "affordable housing" exemption (see "Applicability and Exemptions – Affordable Housing" below) or
   (B) Were built within the last 15 years (see "Applicability and Exemptions – New Construction" below) or
   (C) Are on a lot with a single-family residence that is occupied by the owner.

4. **Do I have to do anything if my property is exempt?**
   If the property qualifies for the "separately alienable" single family home/condo exemption, a notice **must** be provided to the resident. See "Applicability and Exemptions: Separately Alienable (Single-Family Homes/Condos)" below.

   No disclosure of any other exemption is required.

   If the property is exempt as "new construction," but the 15-year exemption will expire soon, a disclosure can be provided in anticipation of the property becoming covered by AB 1482. CAA's Notice of AB 1482 Addendum (Form CA-097) allows you to provide the AB 1482 disclosure effective the date your

exemption will expire. This can be useful if the exemption is expected to expire during a tenancy.

Applicability and Exemptions: Separately Alienable (Single-Family Homes/Condos) [back to top]

1. **What does "Separately Alienable" mean?**
   A separately alienable dwelling is one that can be sold separately from any other dwelling. For example, if there is an apartment over the garage on the same lot as a single-family home, then the home is not "alienable separate from the title to any other dwelling unit" because it cannot be sold separately, and the single-family home will not be exempt from AB 1482.

2. **Are all separately alienable units exempt from AB 1482?**
   No. A separately alienable unit that is owned by a real estate investment trust, a corporation, or a limited liability company that includes a corporation as a member is subject to AB 1482 unless it qualifies for a different exemption.

3. **What disclosure do I have to provide if my property qualifies for this exemption?**
   Properties that are exempt because they are "non-corporate single-family homes/condos" only get the benefit of that exemption if they provide written notice of the exemption to their residents using the following statement:

   > "This property is not subject to the rent limits imposed by Section 1947.12 of the Civil Code and is not subject to the just cause requirements of Section 1946.2 of the Civil Code. This property meets the requirements of Sections 1947.12(d)(5) and 1946.2(e)(8) of the Civil Code and the owner is not any of the following: (1) a real estate investment trust, as defined by Section 856 of the Internal Revenue Code; (2) a corporation; or (3) a limited liability company in which at least one member is a corporation."

   For a tenancy that exists before July 1, 2020, the notice should be provided as soon as possible. If the tenancy starts or renews on or after July 1, 2020, the notice must be provided in the rental agreement. CAA has created the following forms to allow landlords of these properties to provide the proper notice to new and existing residents:

   - CA-154 – *Notice of Change of Terms of Tenancy (AB 1482 Separately Alienable Exemption)*
   - CA-096 – *Exemption from AB 1482 Addendum*
   - CA-041 – *Lease Agreement*
   - CA-043 – *Renewal Lease Agreement*
   - CA-040 – *Rental Agreement Month-to-Month*
   - CA-042 – *Renewal Rental Agreement Month-to-Month*

4. **What if my property qualifies for both this exemption and the exemption for new construction? Do I need to provide a disclosure that it is a single-family home not owned by a corporation now?**
   If the property was issued a certificate of occupancy within the last 15 years and the property qualifies for the separately alienable exemption described above, CAA recommends that the landlord provide the separately alienable exemption now because this exemption is permanent and will not expire even when the certificate of occupancy reaches 15 years of age.

5. **I rent out a single-family home that is owned under a family trust. Is that home covered by AB 1482?**
   No, single-family homes are exempt from AB 1482, unless they are owned by a real estate investment trust, a corporation or an LLC that includes a corporation as a member. Properties owned by a family

trust are exempt. Remember though, AB 1482 requires a specific notice to be provided to residents in exempt single-family homes, letting them know that the property is exempt from rent control and just cause eviction protections.

6. **My family created an LLC to operate our single-family home rentals. Are the properties exempt from AB 1482?**
   The exemption for separately alienable single-family homes does not apply if the property is owned by an LLC that has a corporation as a member. As long as the members of your family's LLC are all real people, rather than corporations, the single-family homes will be exempt.

7. **I rent out a single-family home that was built over 15 years ago. I am thinking of adding an accessory dwelling unit to that property and renting out that unit as well. Will AB 1482 apply to either the home or the accessory dwelling unit?**
   AB 1482 exempts "residential real property that is alienable separate from the title to any other dwelling unit" provided that a notice is provided to the residents and the owner is not a real estate investment trust, a corporation, or an LLC that includes a corporation as a member. Adding an accessory dwelling unit to the property on which the single-family home is situated likely takes the home out of the "separately alienable" category. Thus, the home may no longer qualify for that exemption from AB 1482. If the new accessory dwelling unit receives its own certificate of occupancy, it may temporarily qualify for the 15-year rolling exemption for new construction.

Applicability and Exemptions: Properties with Two Units [back to top]

1. **Are all properties with two units on a parcel exempt?**
   No. The exemptions depend on the type of units and whether one is owner-occupied. If neither unit is owner-occupied, the property is not exempt.

   An owner-occupied "duplex" is exempt from both AB 1482's rent caps and just cause provisions. "Duplex" is defined as a property containing two separate dwelling units within a single structure in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy, and neither unit is an accessory dwelling unit or a junior accessory dwelling unit.

   Single-family owner-occupied residences, including a residence in which the owner-occupant rents or leases no more than two units or bedrooms, including, but not limited to, an accessory dwelling unit or junior accessory dwelling unit are exempt only from AB 1482's just cause provisions.

2. **Who is considered an owner for the purpose of the "owner-occupied" duplex exemption?**
   The definition of "owner" comes from state law known as the Costa-Hawkins Act. Under that act, the term owner "includes any person, acting as principal or through an agent, having the right to offer residential real property for rent, and includes a predecessor in interest to the owner, except that this term does not include the owner or operator of a mobilehome park, or the owner of a mobilehome or his or her agent."

   Any natural person listed on the title is likely to be considered an "owner" occupant for the purpose of this exemption. Please consult with your attorney regarding other types of ownership.

3. **If the owner moves into one side of a duplex, where the other is already occupied by a resident, does that make the duplex exempt from rent control and just cause under AB 1482?** No. A duplex is only exempt if one side is owner-occupied "at the beginning of the tenancy." If the owner moves into a unit after a resident is already in place in the other unit, the duplex is not exempt. If the resident-occupied unit is vacated and a new resident moves in, the duplex would be exempt because the owner moved in before the resident. That exemption will continue to apply provided that the owner maintains occupancy as their principal place of residence.

Applicability and Exemptions: New Construction [back to top]

1. **How do I determine the age of my property to qualify for the "New Construction" exemption?**
   AB 1482 does not apply to housing built within the last 15 years. To determine the age of your property for purposes of this exemption, you will need to look at when its certificate of occupancy was issued. Landlords who suspect their property may qualify for this exemption but who do not have a copy of their certificate occupancy should contact their local housing or building department to obtain a copy.

   It is important to remember that this exemption for new construction is a rolling exemption. This means that on January 1, 2020, housing built on or after January 1, 2005, is exempt. On January 1, 2025, housing built on or after January 1, 2010 will be exempt. A property becomes subject to AB 1482 on the day its certificate of occupancy becomes 15 years old.

2. **The certificate occupancy for my 6-unit property was issued in August 2006. Is it exempt from AB 1482?**
   Yes, and no. AB 1482's 15-year exemption is a rolling exemption. You need to find the specific date in August 2006 that your certificate of occupancy was issued. Let's say it is August 19, 2006. Your property is exempt until it reaches 15 years of age, so in this instance until August 19, 2021. On August 19, 2021, your property will no longer be exempt. Basically, you have a couple years to get ready to deal with AB 1482.

3. **My property consists of several units and was built over the course of many years, so the certificates of occupancy are staggered over a few years. Which certificate of occupancy date applies for purposes of the new construction exemption under AB 1482?**
   A landlord must evaluate each rental unit separately to determine whether each unit is subject to AB 1482. Consider, for example, a property that consists of 4 units, 2 of which have a certificate of occupancy that was issued on June 1, 1999, the other 2 of which have a certificate of occupancy that was issued on October 1, 2008. The units with the June 1, 1999, certificate of occupancy date are subject to AB 1482 on January 1, 2020, unless they qualify for a different exemption. The units with the certificate of occupancy date of October 1, 2008, will become subject to AB 1482 on October 1, 2023, unless they qualify for a different exemption.

4. **Are accessory dwelling units added to an existing property exempt if they were built in 2010 even though the original 4-unit property was built in 1970?**
   Yes, the accessory dwelling units that were added to the property and have a certificate of occupancy issued in 2010 are exempt from AB 1482 until that certificate of occupancy reaches 15 years of age (i.e., 2025), unless they qualify for another exemption. The original 4-unit property built in 1970 is subject to AB 1482 unless any of those units qualify for another exemption, such as the affordable housing exemption.

5. **More than one certificate of occupancy has been issued for one of my rental units, which one is effective for determining if I am exempt?**
The text of AB 1482 does not address this question. However, case law interpreting the Costa-Hawkins Rental Housing Act – which includes a similar "new construction" exemption from local rental control laws – has held that the operative certificate occupancy for exemption purposes is the certificate of occupancy issued *prior to residential use of the unit*. In other words, in most circumstances the first certificate of occupancy should be used to determine whether a unit is exempt. However, in circumstances where a property is renovated to add or subtract one or more units within the confines of one or more existing residential units, it's unclear how this requirement would apply. See the following examples:

Example #1 Converted Warehouse
- The first certificate of occupancy was issued for a commercial warehouse in 1946.
- The warehouse was subsequently renovated into loft apartments and issued a certificate of occupancy for the residential use in 2016.
- The 2016 certificate of occupancy would likely be controlling for purposes of determining exemption from AB 1482 because it is the certificate of occupancy issued prior residential use.

Example #2 Bathroom Renovation
- A duplex was constructed and issued a certificate of occupancy in 1980.
- In 2016, the duplex was renovated to add a second bathroom to each unit and a new certificate of occupancy was issued after the work was completed.
- The 1980 certificate of occupancy would likely be controlling for purposes of determining exemption from AB 1482 because it is the certificate of occupancy issued prior residential use. The bathroom renovation did not alter the residential nature of the building and thus likely would not control.

Example #3 Subdivided Mansion
- A large mansion has a first certificate of occupancy dated 1978.
- In 2016, the mansion was substantially renovated to now consist of multiple apartment units and a new certificate of occupancy was issued.
- It's unclear in this situation which certificate of occupancy will be effective for determining exemption from AB 1482. While the 1978 certificate of occupancy was issued prior to residential use, the 2016 certificate of occupancy should arguably control because new residential units were created and thereby altered the residential use of the property. In such a situation, CAA recommends seeking legal advice from an attorney about whether some or all of the units are exempt.

Applicability and Exemptions: Local Ordinances [back to top]

1. **How does AB 1482 apply in cities or counties that already have rent control?**
AB 1482's rent cap provisions do not apply to a property that is subject to a local rent control ordinance that imposes a lower rent cap. Most local rent control ordinances in place today impose a lower cap than AB 1482, so properties subject to those ordinances will continue to be covered by those ordinances and will not be subject to the AB 1482 rent cap. For more information on cities and counties with rent control, see CAA's Local Rent Control Chart.

For example, a 10-unit building in San Francisco built in 1940 is regulated by the local rent ordinance. San Francisco allows an increase of 60 percent of CPI per year, which is lower than AB 1482's rent cap of 5 percent + CPI. This property would remain subject to the rent cap in the local ordinance because it is lower than the rent cap in AB 1482.

However, in a city that already has rent control, AB 1482 extends rent caps to some housing that is not covered under the existing local ordinance. For example, a single-family home owned by a corporation

built in 1940 and a 100-unit multi-family property built in 2002 are both exempt from San Francisco's ordinance. Both of these properties will be subject to the rent cap under AB 1482.

For properties located in the City of Sacramento, which currently imposes the same rent cap, we recommend reviewing CAA's Industry Insight - Sacramento Tenant Protection and Relief Act: Questions and Answers.

2. **Some local rent control ordinances have rent caps based on CPI or a percentage of CPI. Do those local ordinances use the same CPI as AB 1482?**
Most likely no. The consumer price index is a measurement of the average change over time in the prices paid by urban consumers for consumer goods and services. AB 1482 uses the CPI issued by the United States Bureau of Labor Statistics (BLS) for 4 metropolitan areas in California (Los Angeles, San Francisco, Riverside, and San Diego). In areas outside those 4 metropolitan areas, AB 1482 uses the California Consumer Price Index issued by the California Department of Industrial Relations (which is a weighted average of the BLS data for the 4 regions). AB 1482 uses the CPI from April of each year, for rent increases to take effect the August thereafter. If a CPI is not available for April, March can be used.

   Local ordinances also refer to the data issued by BLS but may use a different date, require rounding to certain decimal place, require using a particular formula to determine the local cap, or require a local official to declare what the cap is based on this data.

3. **How does AB 1482 apply in cities or counties that already have just cause requirements in place?**
AB 1482's just cause provisions do not apply to a property that is subject to a local just cause ordinance enacted prior to September 1, 2019. A later-enacted just cause ordinance will only apply if it is more protective than AB 1482 and the local government makes certain findings. Properties subject to those local just cause ordinances will remain subject to them. For more information on cities and counties with just cause requirements, see CAA's Industry Insight - Just Cause Eviction – Local Eviction Control Measures.

4. **How does AB 1482 apply in cities or counties that do not impose rent control but do require rent review?**
The rent cap provisions of AB 1482 do not apply to "housing subject to rent or price control … that restricts annual increases in the rental rate to an amount less than that provided" in AB 1482. A property subject only to a local ordinance that imposes a rent review program likely does not qualify for this exemption since the rent review program does not necessarily restrict annual increases in rent. Those properties will need to comply with both the local rent review ordinance and AB 1482 (unless they fall into a different exemption from AB 1482).

5. **How does AB 1482 apply in cities or counties that do not impose just cause eviction requirements per se but do impose a right to lease?**
The just cause provisions of AB 1482 do not apply to a property subject to a local ordinance "requiring just cause for termination of a residential tenancy" adopted on or before September 1, 2019 (or adopted thereafter if the ordinance is more protective than AB 1482). If a local ordinance does not prohibit "no cause" evictions but requires the owner to offer an initial or renewal fixed term lease, a landlord subject to that ordinance and AB 1482 would likely need to comply with both the ordinance and AB 1482.

6. **How does AB 1482 apply in cities or counties that do not impose just cause eviction requirements but do require a relocation payment for certain tenancy terminations?**
If a local ordinance does not prohibit "no cause" evictions but requires the owner to make a relocation payment for certain terminations, that type of ordinance most likely would not control over the just cause provisions of AB 1482. A landlord with a property subject to such an ordinance would need to comply with that ordinance and also comply with AB 1482's just cause provisions (unless the property falls within a different exemption from AB 1482). Thus, if the local ordinance requires a relocation

payment of 4-months' rent for certain terminations, the landlord would likely need to comply with that requirement on top of the requirements of AB 1482 (except that the one-month relocation assistance or rent waiver required by AB 1482 would be credited toward the 4-month local relocation assistance requirement).

Applicability and Exemptions: Affordable Housing [back to top]

1. **What types of units are eligible for the "affordable housing" exemption under AB 1482?**
   Both the rent cap and just cause provisions of AB 1482 do not apply to "housing restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code, or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code or comparable federal statutes." CAA recommends that members who suspect a unit may be eligible for this exemption work with their attorneys to confirm that eligibility.

2. **Are units rented to residents with a Section 8 Housing Choice Voucher exempt from AB 1482?**
   According to the plain reading of the statute, it appears that units rented to residents with a Section 8 Housing Choice Voucher should be exempt. However, as discussed in more detail below, that is not how the law has been interpreted by the Attorney General.

   AB 1482 exempts from both its rent cap and just cause provisions certain types of affordable housing. Included in the definition of affordable housing is housing "subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code or comparable federal statutes."

   The Section 8 program provides housing subsidies pursuant to an agreement with a government agency, and the program is restricted to low-income families and individuals. Thus, it appears units rented to Section 8 residents should be exempt from AB 1482's rent cap and just cause provisions for so long as the Section 8 resident continues to reside in the unit and be assisted under the program.

   The Legislative Counsel Bureau has provided CAA an oral opinion that units rented to Section 8 recipients are exempt from AB 1482. However, because Legislative Counsel opinions are not legally binding it is possible a court could conclude differently if the issue was litigated.

   In spite of this, in June 2023, the Attorney General of the State of California sent a letter to local Housing Authority offices across the state "confirming" that AB 1482 "applies to recipients of Section 8 Housing Choice Vouchers" and requesting their assistance "in ensuring that landlords participating in the Section 8 program do not impose unlawful rent increases on their tenants." Although the letter from the Attorney General is not a formal Attorney General opinion and is not legally binding on courts, it is possible that the state courts will give the letter significant weight if the issue was litigated. Moreover, the Attorney General's office has taken enforcement actions against property owners for failure to comply with AB 1482 in other contexts and thus it is possible it could choose to do so on this issue as well. For these reasons, CAA recommends the more conservative approach of treating units rented to residents with a Section 8 Housing Choice Voucher as being subject to AB 1482's rent cap and just cause provisions. CAA strongly urges members to consult with attorneys experienced in landlord-tenant issues if they are considering treating units rented to Section 8 residents as exempt from AB 1482.

   While it is not currently clear whether units rented to Section 8 residents are subject to or exempt from AB 1482, it is clear that they are still subject to Section 8 regulations. Section 8 regulations require rent increases to be approved by the local housing authority and restrict both the reasons and procedures for terminations of tenancy. For more information, see CAA's Industry Insight - Overview of the Section 8 Housing Choice Voucher Program.

Mandatory Disclosures/Lease Provisions

Mandatory Disclosures/Lease Provisions: Exempt Properties [back to top]

1. **Do I need to do anything if my single-family home rental is exempt from the rent cap or just cause provisions of AB 1482?**
   Yes. Properties that are exempt because they are "non-corporate single-family homes/condos" only get the benefit of that exemption if they provide written notice of the exemption to their residents using the following statement:

   > "This property is not subject to the rent limits imposed by Section 1947.12 of the Civil Code and is not subject to the just cause requirements of Section 1946.2 of the Civil Code. This property meets the requirements of Sections 1947.12(d)(5) and 1946.2(e)(8) of the Civil Code and the owner is not any of the following: (1) a real estate investment trust, as defined by Section 856 of the Internal Revenue Code; (2) a corporation; or (3) a limited liability company in which at least one member is a corporation."

   For a tenancy that existed before July 1, 2020, the notice should be provided as soon as possible. If the tenancy starts or renews on or after July 1, 2020, the notice must be provided in the rental agreement. CAA has created the following forms to allow landlords of these properties to provide the required notice:

   - CA-154 – *Notice of Change of Terms of Tenancy (AB 1482 Separately Alienable Exemption)*
   - CA-096 – *Exemption from AB 1482 Addendum*
   - CA-041 – *Lease Agreement*
   - CA-043 – *Renewal Lease Agreement*
   - CA-040 – *Rental Agreement Month-to-Month*
   - CA-042 – *Renewal Rental Agreement Month-to-Month*

2. **How do I prove that I provided the notice of exemption from AB 1482 for separately alienable units?**
   For a tenancy that starts or renews on or after July 1, 2020, the notice needs to be provided in the rental agreement itself – this can be achieved by using the CAA lease or rental agreements (Form CA-041 or Form CA-040), the CAA renewal lease or renewal rental agreements (Form CA-043 or Form CA-042), or the Exemption from AB 1482 Addendum with a non-CAA lease or rental agreement (Form CA-096). Landlords should keep the signed original and provide copies to the parties that signed.

3. **Do I need to provide a disclosure that my property is exempt because it is less than 15 years old?**
   No. Disclosure of the new construction exemption is not required. If the 15-year exemption will expire soon, a disclosure can be provided in anticipation of the property becoming covered by AB 1482. CAA's Notice of AB 1482 Addendum (Form CA-097) allows you to provide the AB 1482 disclosure effective the date your exemption will expire. This can be useful if the exemption is expected to expire during a tenancy.

Mandatory Disclosures/Lease Provisions: Non-Exempt Properties [back to top]

1. **If my property is subject to the rent cap and/or just cause provisions of AB 1482, do I need to tell existing or new residents anything?**
   Yes. Properties subject to the just cause provisions of AB 1482 must provide a written notice to the resident that contains the following language in no less than 12-point type:

"California law limits the amount your rent can be increased. See Section 1947.12 of the Civil Code for more information. California law also provides that after all of the residents have continuously and lawfully occupied the property for 12 months or more or at least one of the residents has continuously and lawfully occupied the property for 24 months or more, a landlord must provide a statement of cause in any notice to terminate a tenancy. See Section 1946.2 of the Civil Code for more information."

For a tenancy that exists before July 1, 2020, this notice must be provided to the resident no later than August 1, 2020, by written notice or as an addendum to the lease agreement. For a tenancy that starts or renews on or after July 1, 2020, the notice must be provided either as an addendum to the rental or lease agreement, or as a written notice signed by the resident, with a copy provided to the resident. CAA has created a Notice of AB 1482 Addendum (Form CA-097) to allow landlords to provide the proper notice to new and existing residents.

Further, at properties subject to the just cause provisions of AB 1482, an owner is only allowed to terminate a tenancy (or opt not to renew a fixed term lease) based on the owner's intent to occupy the unit (including occupancy by a qualified relative of the owner under the law) if a specific notice about the "owner move-in" just cause is included in the rental/lease agreement or if the resident agrees, in writing, to the termination must be provided to the resident. For a tenancy that starts or renews on or after July 7, 2020, the notification must be provided as an addendum to the lease or rental agreement otherwise an owner will not be allowed to use the owner move-in termination if the resident does not agree. (See "Just Cause: Owner Move-In" below for more information.)

CAA has created the following forms to allow landlords to add this provision (and, if necessary, the required Notice of AB 1482 Addendum) to their lease/rental agreements:

- Form CA-153 – *Notice of Change of Terms of Tenancy (Owner Move-In Provision)*
- Form CA-161 – *Notice of Change of Terms of Tenancy (AB 1482 Applicability Addendum and Owner Move-In Provision)*
- *Form CA-095 - Owner Move-In Under AB 1482 Addendum*
- Form CA-101 – *Notice of AB 1482 Applicability and Owner Move-In Provision Addendum*

2. **Our current leases are formatted in 11-point font. If we add the required disclosure to our lease, can we have just the disclosure be in 12-point font type?**
   Yes, only the disclosure about rent caps and just cause needs to be in 12-point type. The rest of the lease does not need to be in that font size.

Rent Caps

Rent Caps: Generally [back to top]

1. **What is the cap on rent increases?**
   AB 1482 prohibits a landlord from increasing the rent, in any 12-month period, by more than 5 percent plus the regional percentage change in the cost of living (CPI), or 10 percent, whichever is lower, of the lowest "gross rental rate" charged for the unit during the 12 months before the effective date of the increase.

   However, properties subject to the anti-price gouging law may be subject to additional limits. See more information below.

2. **If I decide to increase the rent by less than 5 percent plus CPI, can I bank the remaining increase for use in future years?**
   No. AB 1482 does not allow banking unused rent increases for use in subsequent years.

3. **My resident pays well below market rent. Does AB 1482 allow me to get the rents up to market?**
No. AB 1482 does not contain provisions allowing below market rents to come up to market level, except upon tenancy turnover (AB 1482 allows a landlord to establish the initial rental rate "for a new tenancy in which no resident from the prior tenancy remains in lawful possession of the residential real property").

Rent Caps: CPI [back to top]

1. **How do I calculate 5 percent plus CPI for my property?**
Under AB 1482, CPI is defined to mean the percentage change for the metropolitan area in which the residential real property is located, as published by the United States Bureau of Labor Statistics. The metropolitan area indexes to be used are as follows, "(i) The CPI-U for the Los Angeles-Long Beach-Anaheim metropolitan area covering the Counties of Los Angeles and Orange. (ii) The CPI-U for the Riverside-San Bernardo-Ontario metropolitan area covering the Counties of Riverside and San Bernardino. (iii) The CPI-U for the San Diego-Carlsbad metropolitan area covering the County of San Diego. (iv) The CPI-U for the San Francisco-Oakland-Hayward metropolitan area covering the Counties of Alameda, Contra Costa, Marin, San Francisco, and San Mateo. (v) Any successor metropolitan area index to any of the indexes listed in clauses (i) to (iv), inclusive."

   If the United States Bureau of Labor Statistics does not publish a CPI-U for the metropolitan area in which the property is located, the California Consumer Price Index for All Urban Consumers for all items, as determined by the Department of Industrial Relations, applies.

   Beginning August 31, 2020, for rent increases that take effect before August 1 of any calendar year, AB 1482 uses the data issued by the United States Bureau of Labor Statistics for the CPI published in April of the prior year. If the April number is not available for the geographic area, use the CPI published in March of the prior calendar year. For example, a rent increase that takes effect July 1, 2024, would be based on the April 2023 CPI figure.

   For rent increases that take effect on or after August 1 of any calendar year, the CPI published in April of that calendar year must be used. If there is not a CPI amount published in April for the geographic area, use the CPI published in March of that calendar year. For example, a rent increase that takes effect September 1, 2024, would be based on the April 2024 CPI figure.

   The CPI percentage must be rounded to the nearest 1/10th of a percent.

   To find out the current CPI based on the county in which your property is located in, go to CAA's website and use the "Find your CPI" tool in this link: www.caanet.org/ab1482/.

2. **Will the CPI I need to use to calculate rent increases change regularly?**
The CPI you will need to know to calculate allowable rent increases will change every year. The CPI you must use will depend on when the rent increase will take effect, whether before, or on or after August first of any calendar year.

3. **I went on the CAA website and got one amount, but then I went to the Bureau of Labor Statistics Website I got another amount for the CPI. How does CAA calculate the CPI on www.caanet.org/ab1482/? How did it come up with a percentage that is different than the BLS numbers? Which number is correct?**
The CPI you must use is very specifically defined in AB 1482 as the Consumer Price Index for All Urban Consumers for All Items (CPI-U) for the metropolitan area in which the property is located. If the BLS does not publish a CPI-U for the metropolitan area in which the property is located, the California Consumer Price Index for All Urban Consumers for all items, as determined by the Department of Industrial Relations, shall apply.

Therefore, if there is a BLS metropolitan area index for the location of your property, the CPI for that metropolitan area index will apply. There are only a few metropolitan area indexes in California (Riverside, San Diego, Los Angeles, and San Francisco). If your property is outside of a metropolitan area index, then you must use the California CPI as determined by the California Department of Industrial Relations.

The CPI percentage must be rounded to the nearest 1/10th of a percent.

Rent Caps: Defining "Rent" and "Gross Rental Rate" [back to top]

1. **The cap on rent in AB 1482 is calculated based on the lowest "gross rental rate." What is the "gross rental rate"?**
   AB 1482 does not expressly define the term "gross rental rate." It does specify that "any rent discounts, incentives, concessions, or credits" offered by the owner and accepted by the resident are excluded from gross rent for purposes of calculating rent caps. The landlord must separately list and identify these discounts, incentives, or concessions, and the gross per-month rental rate. CAA has created *Form CA-100 – Temporary Rent Payment Discount Addendum (Property Subject to AB 1482 Rent Caps or Exempt from State and Local Rent Control)* that should be used when a prospective resident or resident is offered a temporary monetary discount, incentive, concession, or credit to ensure such amounts are separately identified and excluded from the gross rental rate.

2. **What is considered "rent"? Does it include utilities, pet fees, storage, fees, parking fees, etc.?**
   Many local rent control ordinances define rent to include or exclude certain charges, such as utilities paid to the landlord, parking, housing services etc. AB 1482 does not define the term "rent". Some rent control ordinances also specifically prohibit the use of ratio utility billing systems (RUBS) (a calculation used when the property is mastered metered, and no individual meters are attached to each unit) but AB 1482 does not contain this type of provision specifically prohibiting RUBS.

   CAA recommends that its members consult with their attorneys to review all charges imposed on residents to determine whether those charges are subject to the rent cap under AB 1482 and can be used as part of the base "rent" used to calculate future increases.

3. **Can a landlord charge a "month-to-month fee" for residents who select a month-to-month agreement instead of fixed-term lease or a fee for short-term leases?**
   A landlord can still have different rates depending on the type of tenancy, i.e. fixed term or periodic. It is preferable if those different rates are built into the agreement rather than charged as additional fees. The use of "fees" can make determining what constitutes "rent" much more complicated and can create additional complication when trying to evict for nonpayment of rent.

   Also, because AB 1482 imposes just cause after the resident has lived in the unit for a specified time, leases and month-to-month contracts are not as relevant for the landlord. The reality in rent control jurisdictions is that landlords are generally content with month-to-month agreements because they want it to be easy for the resident to leave, creating a voluntary vacancy.

Rent Caps: Roll Back [back to top]

1. **What if I should have rolled back rent on January 1, 2020, but failed to do so?**
   AB 1482 required landlords to reset rents back to the rent in effect on March 15, 2019 (plus the allowed increase of 5 percent + CPI), so that any large rent increases taken in anticipation of statewide rent control did not remain in effect. If the resident has occupied the rental unit since a date prior to March 15, 2019, they may be entitled to a refund (or credit) for the "excess" rent they paid since January 1, 2020 over the rent amount that was in effect on March 15, 2019. Any landlord who failed to roll back a

resident's rent on January 1, 2020 should consult with their attorney as soon as possible regarding how to best remedy any potential rent refund or credit due to the resident.

2. **If a new tenancy began on April 1, 2019, and we increased the rent effective November 1, 2019, by 10 percent, is a rollback required on January 1, 2020?**
   The safest approach in that case is to roll back the rent to the rent in effect on April 1, 2019, plus the increase allowed by AB 1482 (5 percent plus CPI).

3. **If I need to roll back rent on January 1, 2020, can I treat that roll back as a "discount" in rent under the language in AB 1482 that refers to rent discounts or does the reduced rent become the new base rent for future rent increases?**
   The reduced rent due the rollback required under AB 1482 should be treated as the new base rent for future rent increases.

4. **Is rollback required on January 1, 2020, if the residents are on a fixed term lease? I thought the rent could not be changed during a fixed term lease?**
   This will depend on the timing of the lease and the renewal. For instance, let's say a landlord renewed a one-year lease effective March 1, 2019, for a property in the City of San Diego and that renewal included a 12 percent rent increase from the rent that was in effect during the previous lease. The rollback provision in AB 1482 applies only if rent was increased by more than 5 percent plus CPI between March 15, 2019, and January 1, 2020. Because the 12 percent increase took effect before March 15, 2019, a rollback is not required on January 1, 2020.

   By contrast, let's say the one-year lease was renewed with the 12 percent increase effective July 1, 2020. The current CPI under AB 1482 for San Diego is 2.2 percent, so the maximum rent increase for that area is currently 7.2 percent. In this instance, since the landlord increased the rent by more than 7.2 percent between March 15, 2019, and January 1, 2020, the landlord must roll the rent back on January 1, 2020, to a level that equals the rent in place on March 15, 2019, plus 7.2 percent.

Rent Caps: Passthroughs [back to top]

1. **If a unit is subject to AB 1482's rent caps, can I increase the rent by more than 5 percent plus CPI to cover any of the following costs: (i) the property taxes I pay on the unit, (ii) the cost of capital improvements I make to the unit, (iii) the cost of the insurance I pay for the unit?**
   No, unlike some local rent control ordinances, AB 1482 does not provide for passthroughs of any costs separate from the capped rent increases. Any increases to reflect those costs would need to comply with the 5 percent plus CPI every 12 months limitation in AB 1482.

Rent Caps: Timing of Rent Increases [back to top]

1. **Can I take the 5 percent plus CPI increase in more than one increment in a 12-month period?**
   AB 1482 suggests that the allowable rent increase of 5 percent plus CPI may be taken in two increments over a 12-month period. However, to simplify compliance with the law, CAA recommends that rent increases be limited to once per year. The rent increase examples that appear at the end of this section use this recommended approach.

2. **If I increase rent now by the maximum amount allowed under AB 1482, when is the next time I can increase rent?**
   Generally, AB 1482 allows a landlord to increase the rent over any 12-month period by no more than 5 percent plus CPI. In accordance with the CAA recommendation described above to limit rent increase to once per year, if a landlord increases the rent effective November 1, 2019, by the amount allowed under AB 1482, the next increase could not be effective until November 1, 2020.

Also, for a new tenancy in which no resident from the prior tenancy remains in lawful possession of the residential real property, the landlord can establish the new rent at any amount. The 5 percent plus CPI cap will then apply to all increases for that new tenancy thereafter.

3. **Does AB 1482 regulate the timing of the first rent increase for a new resident?**
   No. AB 1482 does not specify an amount of time to wait prior to increasing the rent after a tenancy begins. However, AB 1482's prohibition on rent increases that exceed 5 percent + CPI in any 12-month period would apply to both the initial rent increase and future rent increases. For example, if the resident signed a 6-month lease, the landlord could increase the rent in the context of renewing that lease, but the amount of the increase would be limited to 5 percent + CPI, not to exceed 10 percent.

4. **I increased rent in 2019, but my rent increase was less than what AB 1482 allows. Can I impose another increase to make up the difference? What if the resident is currently on a fixed-term lease?**
   AB 1482 specifically allows these landlords to take a "catch up" increase within 12 months of March 15, 2019. However, if the resident is currently on a fixed-term lease, you cannot increase the rent during the term of the lease. See example # 2 at the bottom of this section.

5. **How much notice is required to increase rent under AB 1482? Are 60-day notices no longer used?**
   AB 1482 did not change the amount of notice required to increase rent. AB 1482 prohibits landlords from increasing the rent by more than 5 percent plus CPI every 12 months, or 10 percent, whichever is less. As a result, rent increases under AB 1482 will require at least 30 days' notice. Form CA-158 can be used to provide notice of a rent increase for a property subject to AB 1482's rent caps. CAA does not have a form for rent increases of more than 10 percent for properties subject to the rent cap provisions of AB 1482 since such a rent increase would be prohibited under AB 1482. For properties that are not subject to the rent cap provisions of AB 1482, state law requires a 90-day notice to increase rent by more than 10 percent (Form CA-159) can be used to provide notice of that increase).

6. **If we are scheduled to send renewal offers that are effective in April, which CPI should we use? If we send renewal offers that are effective in September, which CPI should we use?**
   AB 1482 requires use of the CPI from April (or March if April is not available). This number often does not come out until June. The law provides for several months delay between April and when that new CPI must be used. The new CPI must be used for increases effective on or after August 1 of each year.

   This means that if you are sending renewal offers that are effective in April, you would use the CPI figure from April of the prior calendar year. If you are sending renewal offers that are effective in September, you would use the CPI figure from April of the same year.

7. **Can you provide an example of the timing of rent increases under AB 1482?**

   Rent Increase Example
   (CPI is assumed here to be 3.5 percent, all dollar amounts are rounded down to the nearest dollar)

   Example. Any increase after January 1, 2024, is limited to 5 percent + CPI (i.e., total of 8.5 percent increase)
   - Last rent increase February 1, 2023
   - Rent on December 31, 2023 = $1000
   - Landlord opts to wait until 2024 to increase the rent and imposes a rent increase of 8.5% effective February 1, 2024
   - Rent on February 1, 2024: $1085
   - Next increase allowed on February 1, 2025 (in accordance with CAA recommendation of limiting rent increases to once per year): 8.5% of $1085 is $92

- Rent on February 1, 2025: $1177

Rent Caps: Changing Terms other than Rent [back to top]

1. **If my rental unit is subject to AB 1482 rent caps, can I still change the terms with 30-days' notice for month-to-month tenancies or at renewal for fixed term leases?**
   If the tenancy is month-to-month, you can still serve a thirty-day notice of change of terms. However, CAA recommends that you consult with your attorney if the change of terms will increase the resident's cost of living at the property – depending on the charges and the circumstances, the change of terms may arguably constitute a "rent increase" that is subject to the rent caps in the law. If the resident has a fixed term lease, say for one year, you cannot change the terms during the lease term. At the end of the lease, you can require the resident to sign another one-year lease, but only if the terms and duration are the same. If that fixed term lease goes month-to-month instead, you can change the terms as with any other month-to-month tenancy.

Rent Caps: State of Emergency – Price Gouging [back to top]

1. **Does the state's anti-price gouging law still apply?**
   Properties subject to the rent caps in AB 1482 also remain subject to the state's anti-price gouging law, which is triggered when an emergency is declared by the Governor or by local officials, (declarations like those that came after the major fires in Santa Rosa and Paradise, and the Governor's statewide declaration of emergency on October 27, 2019.) Landlords are prohibited from increasing the rent in place at the time of the emergency declaration by more than 10 percent. That prohibition applies for 30 days after the emergency is declared unless renewed by the state or local government, which is typical. For more information on this anti-price gouging law and the gubernatorial states of emergency currently in effect, see CAA's Industry Insights - *Anti-Price Gouging Laws – States of Emergency* and *States of Emergency*.

Just Cause

Just Cause: General [back to top]

1. **If my property is subject to AB 1482, does AB 1482 limit when I can terminate a tenancy?**
   Yes, starting January 1, 2020, you cannot terminate a month-to-month tenancy or refuse to renew a fixed term lease without listing a reason for the termination if the resident or residents have occupied the unit for a specific period of time, as outlined in "Just Cause: Minimum Duration of Occupancy for Protections" below.

2. **What is "just cause" under AB 1482?**
   AB 1482 defines "just cause" to mean either "at-fault" just cause or "no fault" just cause. "At fault" just cause covers scenarios in which the resident's conduct is the reason for the termination. "No fault" just cause covers limited scenarios in which the landlord can terminate the tenancy due to no fault on the part of the resident.

3. **What is "at fault" just cause under AB 1482?**
   "At fault" just cause covers scenarios in which the resident's conduct is the reason for the cause. Under AB 1482, "at fault" just cause is any of the following:
   - Default in the payment of rent.
   - A breach of a material term of the lease, as defined.
   - Maintaining, committing, or permitting a nuisance, as defined.
   - Committing waste, as defined.

- The resident had a written lease that terminates on or after January 1, 2020, and after a written request or demand from the owner, the resident has refused to execute a written extension or renewal of the lease for an additional term of similar duration with similar provisions.
- Criminal activity by the resident on the residential rental property, including any common areas, or any criminal activity or criminal threat, on or off the residential rental property, that is directed at any owner or agent of the owner of the property.
- Assigning or subletting the premises in violation of the resident's lease.
- Refusal to allow the owner to enter the unit as authorized under the law, as defined.
- Using the premises for an unlawful purpose, as defined.
- An employee's failure to vacate the unit after the employee has been terminated.
- When a resident fails to deliver possession of the unit after providing the owner written notice of his or her intention to terminate the lease, which the owner has accepted in writing.

4. What is "no fault" just cause under AB 1482?

"No fault" just cause covers limited scenarios in which the landlord can terminate the tenancy due to no fault on the part of the resident. Under AB 1482, "no fault" just cause means any of the following:

- An owner's intent to occupy the unit, including the owner's spouse, domestic partner, children, grandchildren, parents, or grandparents. For leases entered into on or after July 1, 2020, the owner can use this cause only if the resident agrees in writing to the termination or if a specific provision is included in the lease. Effective April 1, 2024, an owner cannot use this cause if the intended occupant already occupies a rental unit on the property or if a vacancy of a similar unit already exists. CAA has created the following forms to allow landlords to add this provision to their lease/rental agreements:

  - Form CA-153 – *Notice of Change of Terms of Tenancy (Owner Move-In Provision)*
  - Form CA-095 – *Owner Move-In Under AB 1482 Addendum*

  CAUTION: There are new rules affecting owner move-in evictions effective April 2024. See "Just Cause: Owner Move-In" below for more information.

- Withdrawal of the residential property from the rental market.
- An order relating to habitability that necessitates vacating the property, an order issued by a government agency or court to vacate the property, or a local ordinance that necessitates vacating the property.
- Intent to demolish or to substantially remodel the residential real property. CAUTION: There are new rules affecting this cause effective April 2024. See "Just Cause: Substantial Remodel" below for more information.

5. Pets are prohibited at my rental property. If a resident has a pet, do I have just cause to terminate their tenancy under AB 1482?

The causes for which a tenancy may be terminated under AB 1482 include a breach of a material term of the lease. This may include having a pet if the lease agreement prohibits pets (but please note that pets do not include assistive or service animals). Because this is a curable violation, the landlord must generally give the resident an opportunity to cure the violation – this can be achieved by providing Form CA-231 – *Three-Day Notice to Perform Conditions and/or Covenants*. If the resident does not comply by the time that the notice expires, the landlord must then serve a three-day notice to quit without an opportunity to cure – Form CA-234 – *Final Three-Day Notice to Quit for Breach of Covenant(s)* provides that notice.

6. If I decide to remove my rental unit from the market, is there a just cause to terminate the tenancies of my residents?

Yes, the causes for which a tenancy may be terminated under AB 1482 include "withdrawal of the residential real property from the market." However, recent actions taken by the California Attorney

General, as discussed below, have created a lack of certainty as to the underlying reasons an owner may terminate a tenancy subject to AB 1482 based on the "withdrawal from the rental market" just cause. In short, in a recent enforcement action, the California Attorney General took the position that the term "withdrawal," as used in AB 1482 relating to the removal of property from the rental market, has the same definition as it does under the Ellis Act, and the sale of a rental property does not equate to its withdrawal from the rental market. For more information, please see CAA's Industry Insight – Ellis Act: A General Overview. Given this, CAA strongly urges members to consult with an attorney experienced in landlord-tenant issues if they wish to terminate a tenancy subject to AB 1482's just cause provisions in order to withdrawal the property from the rental market.

7. **If a resident provides a 30-day notice that they will be vacating and they change their mind, do I have just cause to terminate their tenancy?**
   Yes, AB 1482 provides that "just cause" includes the situation where the resident fails to deliver possession of the property after providing 30-days' written notice of their intent to vacate as provided in Civil Code Section 1946. If the resident provides notice of their intent to vacate orally (or by email or text), or provides less than 30 days' notice, the notice is defective. In such a case, use Form CA-254 – *Response to Resident's Defective Notice of Intent to Vacate* to respond to the defective notice of intent to vacate and consult with your attorney before proceeding with an eviction based on this cause.

Just Cause: Minimum Duration of Occupancy for Protections [back to top]

1. **How long does a resident have to live in a unit before they are protected by "just cause" under AB 1482?**
   The initial residents who move into the unit will be protected by "just cause" after having lived in the unit for at least 12 months. In other words, on day 366, that resident(s) will be protected by just cause.

   If an additional resident or occupant moves in, the residents will be protected by just cause if:

   - Any resident has continuously and lawfully occupied the unit for 24 months or longer; or
   - All residents have continuously and lawfully occupied lived in the unit for 12 months or longer.

2. **My residents moved in with an initial 12-month lease. Does "just cause" apply once that lease expires?**
   The answer to this question depends on how the lease is written. Some leases have automatic month-to-month rollover provisions, which means that if at the end of the lease term, if neither party gives notice of ending the tenancy, the tenancy continues to roll over month-to-month. CAA's *Lease Agreement* (Form CA-041) does not contain that automatic rollover provision; thus, if the landlord did not want to continue the tenancy, no notice is required to the resident and the tenancy ends at the expiration of the term. When a new resident moves in with a one-year CAA lease, that tenancy will automatically end before the resident is protected by just cause. The decision of whether to renew (and have a tenancy that is covered by just cause) is entirely within the landlord's control. By contrast, if the lease contains an auto-renewal provision or automatically goes month-to-month, that resident will gain just cause protections on their 366th day in the unit unless the landlord takes timely, affirmative, action, consistent with the lease, to terminate the tenancy at the end of the 365th day.

3. **I have residents on their initial 12-month CAA lease in a unit that is subject to AB 1482's just cause provisions. We plan to send a notice of non-renewal of the lease. What happens if the residents do not move out on or before the end of that 12th month? Do they have just cause protections under AB 1482?**
   The CAA Lease Agreement does not have an automatic rollover provision at the end of its term; thus, if the landlord does not want to continue the tenancy, no notice is required to the resident and the tenancy ends at the expiration of the term. CAA does recommend providing at least 90 days' written notice of the non-renewal of the lease. You can use Form CA-240 – *Notice of Non-Renewal of Lease* to provide a courtesy notice to the resident that their lease will not be renewed. If the residents have not

moved out by the end of the term, the next step is for the landlord to proceed with an unlawful detainer action. However, if the landlord accepts rent from the resident after the end of the lease, a month-to-month tenancy is created, and the resident will likely be protected by the just cause provisions of AB 1482.

4. **Does the clock for "just cause" under AB 1482 reset whenever a roommate is added?**
   Once any resident (defined to include lawful occupants) has been in the unit continuously and lawfully for 24 months, the just cause eviction provisions of AB 1482 will apply so long as that resident remains in occupancy even if a new roommate comes along later. The clock does not re-set when a new roommate is added if any of the roommates have been in continuous occupancy for 24 months.

   Here are examples for calculating the just cause provisions. Consider a tenancy that begins with Resident A only. At month 11, Resident A adds a roommate, Resident B. At the end of month 12, only one of the residents has been in occupancy for 12 months so the just cause provisions do not apply until Resident A has been in occupancy for 24 months. Let's say at month 15, Resident B leaves and is replaced by Resident C. Just cause still doesn't apply because all the residents haven't been in occupancy for 12 months. At month 24, just cause will apply even though Resident C has only been in occupancy for 9 months.

   If Resident A does not add a roommate, Resident A will enjoy the protections of just cause after having lived in the unit for 12 months. It doesn't matter whether that occupancy is under a month-to-month tenancy, or a fixed term lease, or multiple fixed term leases. On day 366 of occupancy, the resident is protected, until a roommate is added.

   While the 24-month timeframe was added for new roommates who come to the unit within the first 24 months, the 24-month cap (or end time frame) was intended to "protect" a resident who may have lived in the unit for 30 years, for example. That long-time resident, who may need to bring in a new roommate to help make the rent payment, will not "lose their just cause protections" just because they need a new roommate at year 30 (because at least one resident has lived in the unit for 24 months).

5. **Does the clock for "just cause" under AB 1482 reset when residents move to a different unit on the same property?**
   Probably. Generally, the just cause provisions of AB 1482 apply after a resident has continuously and lawfully occupied a residential real property for 12 months. This language was modeled after the language in the Civil Code that requires 30 days' notice to terminate a tenancy if any resident has resided in the dwelling for less than one year. CAA recommends consulting with your attorney to confirm how the resident's move affects the just cause clock under AB 1482.

6. **Should I allow a resident to add a roommate under AB 1482?**
   There are pros and cons to allowing roommates under AB 1482. Landlords with units subject to AB 1482's just cause provisions should develop policies and procedures regarding changes of occupancy in consultation with their attorney and should apply those policies and procedures consistently.

Just Cause: Notice Requirements [back to top]

1. **Does AB 1482 change the procedures for three-day notices?**
   AB 1482 (at Civil Code section 1946.2(c)) provides that for "at fault" causes that are curable lease violations, two notices are required – one with an opportunity to cure and one that is a "final" notice to quit without opportunity to cure. This "final" notice just gives the tenant more time to move out. Some of the "at fault" just causes may be incurable, like nuisance, waste, criminal activity, etc. CAA recommends that an attorney be consulted prior to serving any three-day notice on a resident protected by the just cause provisions of AB 1482 until the courts have provided some clarity.

2. **What just cause termination notices does CAA have available for purposes of AB 1482 just cause?**
   CAA has created the following AB 1482 just cause termination notices:

   - CA-230 – *Three-Day Notice to Pay Rent or Quit (Proof of Service)*
   - CA-231 – *Three-Day Notice to Perform Conditions and/or Covenants or Quit (Proof of Service)*
   - CA-232 – *Three-Day Notice to Perform Covenants or Quit for Monetary Breach*
   - CA-233 – *Three-Day Notice to Perform Conditions and/or Covenants or Quit Failure to Provide Access*
   - CA-234 – *Final Three-Day Notice to Quit for Breach of Covenant(s) (Properties Subject to AB 1482*
   - CA-260 – *Notice of Termination of Tenancy Due to Owner Move-in (Properties Subject to AB 1482)*

   Form CA-261 – *Notice of Termination of Tenancy Due to Withdrawal of Property from the Rental Market)* has been discontinued, effective July 31, 2023, due to a lack of certainty as to the underlying reasons an owner may terminate a tenancy at a property subject to AB 1482 based on the "withdrawal from the rental market" just cause. (See "Just Cause: General" above.)

   Further, CAA does not offer a termination notice based on the "substantial remodel" just cause. Given the complexities of terminating a tenancy based on substantial remodel, CAA strongly recommends that landlords work with an experienced housing attorney to determine whether the planned renovation work qualifies for the "substantial remodel" just cause and to prepare any termination notice based on this just cause. (See "Just Cause: Substantial Remodel" below.)

Just Cause: Relocation Assistance [back to top]

1. **When is a landlord required to pay relocation assistance under AB 1482?**
   A landlord must make a relocation payment to a resident if the termination is for a "no-fault" just cause. (See "Just Cause: General" above.) In particular, the landlord must do one of the following:

   - Make a direct payment to the resident equal to one month of the resident's rent (in effect when the notice of termination is issued), within fifteen calendar days of service of the notice; or
   - Waive in writing the payment of rent for the final month of the tenancy, prior to the rent becoming due.

   The termination notice must inform the resident of their right to a relocation payment or waiver. If the owner elects to waive the rent for the final month of the tenancy, the notice must state the amount of rent waived and that no rent is due for the final month of the tenancy. In these situations, CAA recommends that a landlord select the option for waiving the final rent payment since residents are likely to stop paying rent after receiving the termination notice.

2. **Does the right to relocation assistance need to be included in the rental/lease agreement or only in the termination notice?**
   The right to relocation assistance must be included in the termination notice if the termination is for a "no fault" just cause. (See "Just Cause: General" above.) It does not need to be included in the rental or lease agreement.

3. **Who gets to choose between sending a relocation check or waiving last month's rent – the landlord or the resident? Does the resident need to agree to the rent waiver option?**
   The landlord gets to decide whether to make a direct payment equal to one months' rent or waive the final rent payment. Resident approval or agreement is not required.

4. **Which option should I pick – sending the relocation check or waiving the last month's rent?**
   If the resident is going to remain in the unit for at least one month for which rent has not already been paid, CAA recommends that landlords waive the last month's rent, rather than sending a check. This is because once the resident receives the termination notice, they are likely to stop paying rent anyway.

5. **My city has a local relocation ordinance (not a just cause ordinance) that requires a larger relocation payment when terminating a tenancy in certain situations. Does that ordinance still apply?**
   If the grounds for termination under AB 1482 would require a relocation payment under the local ordinance, then yes, you need to make the greater relocation payment required by the local ordinance.

Just Cause: Substantial Remodel [back to top]

1. **I have a unit that needs to be updated. The residents have all lived in the unit for more than 12 months. Can I terminate their tenancy to make the updates?**
   Probably not. Under AB 1482, the "no-fault" causes include intent to demolish or "substantially remodel" the property. However, the term "substantially remodel" is defined in AB 1482 to cover limited scenarios. More specifically, "substantially remodel" means "the replacement or substantial modification of any structural, electrical, plumbing, or mechanical system that requires a permit from a government agency or the abatement of hazardous materials, including lead-based paint, mold, or asbestos, in accordance with applicable federal, state, and local laws, that cannot be reasonably accomplished in a safe manner with the resident in place and that requires the resident to vacate the residential real property for at least 30 consecutive days. Cosmetic improvements alone, including painting, decorating, and minor repairs, or other work that can be performed safely without having the residential real property vacated, do not qualify as substantial remodel." (Civ. Code Section 1946.2(b)(2)(D).)

   Effective April 1, 2024, Senate Bill 567 (SB 567) amends AB 1482 to clarify that, for purposes of determining how many days a resident is required to vacate, a resident is not considered to be required to vacate the residential real property on any days where a resident could continue living in the residential real property without violating health, safety, and habitability codes and laws. If the work does not require the resident to move out, or if the resident must vacate the premises for less than 30 days, the landlord should make some arrangements for the resident to move out temporarily.

2. **Are there any specific requirements for notices for termination of tenancy based on substantial remodel or demolition?**
   Effective April 1, 2024, there are several new requirements that must be in all notices for termination of tenancy based on substantial remodel or demolition which include:

   (1) A statement informing the resident of the owner's intent to demolish the property or substantially remodel the rental unit property.
   (2) The following statement: "If the substantial remodel of your unit or demolition of the property as described in this notice of termination is not commenced or completed, the owner must offer you the opportunity to re-rent your unit with a rental agreement containing the same terms as your most recent rental agreement with the owner at the rental rate that was in effect at the time you vacated. You must notify the owner within thirty (30) days of receipt of the offer to re-rent of your acceptance or rejection of the offer, and, if accepted, you must reoccupy the unit within thirty (30) days of notifying the owner of your acceptance of the offer."
   (3) A description of the substantial remodel to be completed, the approximate expected duration of the substantial remodel, or if the property is to be demolished, the expected date by which the property

will be demolished, together with one of the following: (i) a copy of the permit or permits required to undertake the substantial remodel or demolition, or (ii) if the property needs to undergo abatement of hazardous materials and the work does not require a permit, a copy of the signed contract with the contractor hired by the owner to complete the substantial remodel, that reasonably details the work that will be undertaken to abate the hazardous materials.

(4) A notification that if the resident is interested in reoccupying the rental unit following the substantial remodel, the resident shall inform the owner of the resident's interest in reoccupying the rental unit following the substantial remodel and provide to the owner the resident's address, telephone number, and email address.

Given the complexities of terminating a tenancy based on substantial remodel, CAA strongly recommends landlords work with experienced housing attorneys when pursuing evictions based on substantial remodel.

3. **If the landlord fails to commence or complete the substantial remodel or demolition, does the landlord have to offer to re-rent the unit to the vacated resident?**
   Effective April 1, 2024, AB 1482 implies that if the landlord fails to commence or complete the substantial remodel or demolition of the unit then the landlord must offer to re-rent the unit to the vacated resident at the same rental rate that was in effect at the time the resident vacated. It is implied because while the statute does not explicitly state this requirement, termination notices due to substantial remodel or demolition are required to include the following statement:

   > "If the substantial remodel of your unit or demolition of the property as described in this notice of termination is not commenced or completed, the owner must offer you the opportunity to re-rent your unit with a rental agreement containing the same terms as your most recent rental agreement with the owner at the rental rate that was in effect at the time you vacated. You must notify the owner within thirty (30) days of receipt of the offer to re-rent of your acceptance or rejection of the offer, and, if accepted, you must reoccupy the unit within thirty (30) days of notifying the owner of your acceptance of the offer."

   Accordingly, in the event that a substantial remodel or demolition is not commenced or completed, it appears the intent was to require landlords to offer to re-rent the unit to the vacated resident at the same rental rate that was in effect when the resident vacated and for the resident to have to notify the landlord of their response within 30 days of receiving the offer and, if accepted, to reoccupy the unit within 30 days of notifying the landlord of their acceptance.

4. **Does the landlord have to offer to re-rent the unit to the vacated resident after the substantial remodel work is completed?**
   No. However, effective April 1, 2024, landlords must provide a notification in termination notices based on substantial remodel that if the resident is interested in reoccupying the unit following the substantial remodel, the resident must inform the landlord of their interest and provide the landlord with the resident's address, telephone number and email address. While landlords are required to provide this notification, the law does not require landlords to offer to re-rent the unit to the vacated resident following the substantial remodel, even if the vacated resident expresses interest in re-occupying.

Just Cause: Owner Move-In[back to top]

1. **Can any owner terminate a tenancy so that they or their spouse, domestic partner, children, grandchildren, parents or grandparents can move into the unit?**
   Effective April 1, 2024, Senate Bill 567 (SB 567) places new restrictions limiting the types of owners who are allowed to terminate a tenancy based on the owner move-in just cause. SB 567 amends AB 1482 to define an "owner," for purposes of owner move-in evictions, as meaning any of the following:

(1) a natural person that has at least a 25 percent recorded ownership interest in the property; (2) a natural person who has any recorded ownership interest in the property if 100 percent of the recorded ownership is divided among owners who are related to each other as sibling, spouse, domestic partner, child, parent, grandparent, or grandchild; and (3) a natural person who is a beneficial owner of an LLC or partnership and their ownership interest – through the LLC or partnership – is at least 25%. Note, while not explicitly stated within the definition of "owner", settlors and beneficiaries of qualifying family trusts also qualify as an owner for purposes of owner move-in evictions.

"Natural person" is defined as including any of the following: (1) a settlor or beneficiary of a family trust or, (2) if the property is owned by a limited liability company or partnership, a natural person who is a beneficial owner with at least a 25-percent ownership interest in the property. While not specifically stated, it appears the definition of "natural person" is also intended to include the ordinary, plain meaning of the term (i.e., an individual).

"Family trust" is defined as a revocable living trust or irrevocable trust in which the settlors and beneficiaries of the trust are persons who are related to each other as sibling, spouse, domestic partner, child, parent, grandparent, or grandchild.

"Beneficial owner" is defined as a natural person or family trust for whom, directly or indirectly and through any contract arrangement, understanding, relationship, or otherwise, and any of the following applies: (1) the natural person exercises substantial control over a partnership or LLC, (2) the natural person owns 25% or more of the equity interest of a partnership or LLC, or (3) the natural person receives substantial economic benefits from the assets of a partnership.

Taking these definitions together, there are generally four types of owners permitted to use owner move-in as a basis for terminating a tenancy, beginning April 1, 2024:

(1) Individual with at least 25% ownership: a natural person that has at least a 25 percent recorded ownership interest in the property.
(2) Individuals with less than 25% ownership: a natural person who has any recorded ownership interest in the property if 100 percent of the recorded ownership is divided among owners who are related to each other as sibling, spouse, domestic partner, child, parent, grandparent, or grandchild.
(3) Member of qualifying LLC or partnership: a natural person who is a beneficial owner of an LLC or partnership and their ownership interest – through the LLC or partnership – is at least 25%.
(4) Settlor or beneficiary of qualifying family trust as defined above.

2. **If I am the settlor of my family trust and my children and grandchildren are the beneficiaries of the family trust, does that qualify as the type of a family trust which would allow me to do an owner move-in eviction under AB 1482's new rules?**
It is uncertain and that is because it is unclear from the statute's definition of "family trust" how the relationship requirement applies. For example, one way to interpret the definition is that it simply requires that each beneficiary be related to the settlor in one of the enumerated ways. If that were the case, then your trust should qualify because each of the beneficiaries is related to you, the settlor, as either your child or grandchild. If, however, the definition is interpreted to require that each beneficiary be related to one another in one of the enumerated ways, then your trust likely would not qualify because not all beneficiaries are related to each other in one of those ways. For example, some of the beneficiaries are likely related to each other as aunts, uncles, nieces, nephews and cousins which are not considered qualified relatives under the definition. Given this ambiguity, CAA strongly recommends landlords work with their attorney to determine if their family trust qualifies before pursuing an owner move-in eviction.

3. **Are there any specific requirements for notices of termination of tenancy based on owner move-in?**
   Effective April 1, 2024, there are a couple new requirements that must be in all notices for termination of tenancy based on owner move-in. These requirements include:

   (1) The name or names of the intended occupant (which can be either owner or a qualified relative) and if the intended occupant is qualified relative, their relationship to the owner.
   (2) A notification that the resident may request proof that the intended occupant is an owner or related to the owner as defined in the statute.

4. **If the resident requests proof that the intended occupant is an owner as defined in the statute or is related to the owner in one of the ways defined in the statute, what sort of documents must I provide and how long do I have to do so?**
   This is unclear from the statute. The statute states that the proof must be provided upon request and may include an operating agreement and other non-public documents. No further guidance is provided regarding the time frame in which the landlord must provide the proof to the resident or what other types of documents may be considered satisfactory proof. However, such documents may likely include deeds, certificates of trusts, birth certificates, marriage certificates and other documentation establishing ownership or familial relationships. Given the amount of time it may take to obtain such documentation, CAA recommends landlords begin compiling these types of documents before issuing owner move-in termination notices. CAA also recommends landlords consult with their counsel regarding what documentation to provide if resident requests documentation be provided.

5. **If I want to terminate a tenancy so I can move into the unit, are there any rules regarding how quickly I need to move in and how long I need to live there? Are there any consequences if I don't?**
   Effective April 1, 2024, the intended occupant (i.e., owner or their qualified relative) is required to move into the unit within 90 days of the resident vacating and occupy the unit for 12 consecutive months as their primary residence. If the intended occupant fails to move in within 90 days or occupy the unit for 12 consecutive months, the landlord is required to offer the unit to the resident who vacated at the same rent and lease terms in effect at the time the resident vacated. The statute, however, does not state how a landlord is supposed to know how to contact the vacated resident. To help address this, CAA's *Notice of Termination of Tenancy Due to Owner Move-in* (Form CA-260) invites the resident to provide their forwarding contact information if they are interested in possibly reoccupying the unit in the event the unit returns to the rental market. Note, the landlord is still required to offer to re-rent the unit to the vacated resident even if the resident does not provide their forwarding address in response to this form. Landlords should consult with their attorney regarding complying with this requirement should it become necessary.

6. **If I use an owner move-in eviction in order to move my ill grandmother into the unit and she dies before living in the unit for the full 12 months, do I still have to offer the unit to the resident who vacated at the same rent and lease terms in effect at the time the resident vacated?**
   No, the statute makes an exception for this situation. When the intended occupant moves into the rental unit within 90 days after the resident vacates but dies before having occupied the rental unit as a primary residence for 12 months, the landlord is not required to offer the unit to the resident who vacated at the same rent and lease terms in effect at the time the resident vacated. However, if the landlord chooses to put the unit back on the rental market within that 12-month period, the unit must be offered at the same rent that was in effect at the time the termination notice was served. This is required whenever an intended occupant does not occupy the unit for the full 12-month time frame and the unit is re-rented within that 12-month period.

Just Cause: Enforcement of Resident's Intent to Vacate [back to top]

1. **If a resident fails to vacate after providing the owner written notice of their intent to vacate, does the landlord need to serve a notice to terminate the tenancy?**
   No. One of the causes listed in AB 1482 occurs when the resident fails to deliver possession of the unit after providing written notice of their intent to vacate as provided in Civil Code section 1946. That failure to vacate is not a violation of the lease. A separate notice to terminate the tenancy is not required. However, if the resident does provide at least 30 days' written notice of their intent to vacate, CAA recommends that the landlord send a written acknowledgement of that intent using Form CA – 248 *Acknowledgement of Resident's Thirty-Day Notice to Vacate*, which confirms the move out date and any rent that will be due prior to move out.

2. **Is a landlord required to acknowledge a resident's notice of intent vacate in order to evict when the resident fails to vacate?**
   There is no requirement to acknowledge the resident's notice, but it is a good idea. CAA's *Acknowledgement of Resident's Thirty-Day Notice to Vacate* (Form CA - 248) notifies the resident of the consequence of their notice. Because the resident's notice can serve as the basis for an eviction, it becomes much more important for the resident's notice to be in writing, to provide the correct amount of notice, and for the notice to be served correctly on the landlord.

   See also Form CA – 254 – *Response to Resident's Defective Notice of Intent to Vacate*.

3. **Does AB 1482 prohibit or regulate making a "buyout offer" to a resident?**
   A "buyout offer" is an offer to make a payment to the resident in return for the resident's agreement to move out of the unit. These offers are strictly regulated by some local rent control ordinances in order to protect residents from harassment or coercion. AB 1482 does not prohibit or regulate these offers, but agreements obtained by means of duress, harassment, or coercion may not be enforceable (and may subject the landlord to penalties for violation of other laws). The resident is not required to accept any buyout offer. CAA recommends that any such offer only be made in consultation with an attorney.

Just Cause: Refusal to Sign Lease with Similar Duration and Terms [back to top]

1. **AB 1482 lists as a just cause for eviction "the tenant's refusal to execute a written extension or renewal of the lease for an additional term of similar duration with similar provisions." Can you explain what this means?**
   This means that if your resident has a one-year lease, you can require the resident to sign another one-year lease with the same rules in it. If the resident refuses to sign the lease, that refusal is a valid reason to terminate the tenancy. You are not required to make this offer to the resident. If you prefer, you may allow the lease to expire and then allow the tenancy to continue on a month-to-month basis based on the payment of rent.

   See Form CA – 242 – *Notice of Expiration of Fixed Term Lease and Renewal Offer (Tenancies Subject to AB 1482 Just Cause).*

Just Cause: Changing the Terms of Tenancy [back to top]

1. **If my property is subject to AB 1482 and the residents have occupied the unit long enough to be protected by AB 1482's just cause provisions, can I still change the terms of the tenancy and enforce those changes?**
   Yes, and no. If the tenancy is month-to-month, you can still serve a thirty-day notice of change of terms. If the resident has a fixed term lease, say for one year, you cannot change the terms during the lease. At the end of the lease, you can require the resident to sign another one-year lease but only if the terms and duration are the same. If that fixed term lease goes month-to-month instead, you can change the terms as with any other month-to-month tenancy.

However, CAA recommends that you consult with your attorney if the change of terms will increase the resident's out-of-pocket cost of living at the property. This is because any change of terms that increases a resident's cost of living at the property (e.g., change of terms so as to require the resident to pay for water or trash utilities when previously such utility costs had been included in the rent, or a change of terms that mandates the resident to obtain renters insurance at the resident's sole cost and expense when previously obtaining renters insurance was only recommended) is likely to constitute a "rent increase" that is subject to the rent caps of AB 1482. Additionally, effective January 29, 2021, the COVID-19 Tenant Relief Act (CTRA) prohibits landlords from ever increasing fees or charging new fees for services previously provided by the landlord without charge for any tenant who submitted a Declaration of COVID-19 Related Financial Distress. For further information on CTRA, see CAA's Industry Insight – *COVID-19 Tenant Protections: COVID-19 Tenant Relief Act and COVID-19 Rental Housing Recovery Act*.

Enforcement [back to top]

1. **What are the penalties for noncompliance with the Act?**
No penalties are currently listed (however this changes beginning April 1, 2024, see below). The challenges may come from residents when you attempt to evict and they respond to the "cause" you listed or they claim your rents are not in compliance with the law. Landlords could also be subject to wrongful eviction and unlawful business practice claims based on violations of AB 1482.

   Effective April 1, 2024, SB 567 amends AB 1482 to provide for specific penalties for a landlord's violation of its rent cap or just cause provisions. In terms of the rent cap provisions, if a landlord accepts or keeps rent in excess of the maximum allowed by AB 1482, that landlord can be liable to the resident for injunctive relief (i.e., a court order either prohibiting an owner from taking an action or forcing the owner to correct a prior misdeed), damages for the amount that exceeded the maximum allowable rent, and in the court's discretion, reasonable attorney's fees. If the court concludes that a landlord acted willfully or fraudulently, a court could impose damages in the amount of three times actual damages.

   In terms of the just cause provisions, a landlord who attempts to recover possession of a rental unit in material violation of the just cause provisions of AB 1482 can be liable to a resident in a civil action for actual damages, reasonable attorney's fees and costs under the court's discretion, and if the court concluded that a landlord acted willfully or fraudulently, a court could impose damages in the amount of three times actual damages. Additionally, non-compliance with any of AB 1482's just cause provisions renders a written just cause termination notice void.

   Additionally, the Attorney General and the city attorney or county counsel in the jurisdiction in which the rental unit is located can also enforce violations of the just cause and rental rate provisions of AB 1482.

[i] Regardless of whether a property is subject to or exempt from AB 1482 or a local rent control ordinance, it may be subject to the state's anti-price gouging law. That law is triggered when a state of emergency is declared by the Governor or local officials and prohibits increasing rents more than 10% cumulatively over the entire period that the emergency stays in effect, which could be for as little as 30 days or may last for more than a year if extended by the state or local government.. The Attorney General has stated that the anti-price gouging law applies in any county in which there is "increased demand" as a result of the state of emergency. For more information, see /kb/anti-price-gouging-laws-states-emergency/.

[ii] The rent cap and just provisions of AB 1482 do not apply to housing restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code, or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code or comparable federal statutes.

[iii] Residential real property that is alienable separate from the title to any other dwelling unit.

[iv] The just cause provisions of AB 1482 do not apply to any of the following: (1) a single-family owner-occupied residence, including a residence in which the owner-occupant rents or leases no more than two units or bedrooms, including, but not limited to, an accessory dwelling unit or a junior accessory dwelling unit, (2) a duplex in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy, or (3) housing accommodations in which the resident shares bathroom or kitchen facilities with the owner who maintains their principal residence at the residential real property. The rent cap provisions of AB 1482 do not apply to a duplex in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy.