

One-Pager for SB 1136 (Sen. Boysko) / HB 2175 (Del. Clark)
SB 1136 / HB 2175 Allow Localities to Enact Anti-Rent Gouging Ordinances

Summary: The bills allow localities to adopt anti-rent gouging ordinances with yearly maximum rent increases of no more than 3%.

Problem we are Solving: All Virginia families, no matter their race, income, or neighborhood, deserve the chance to build a future in their communities. But for renters—1 in 3 of all Virginia householdsⁱ—drastic rent increases are making this impossible. Since 2019, corporate and predatory landlords have raised rents dramatically, pushing average rents up by over 30% in many Virginia localities.ⁱⁱ Virginia renters cannot sustain severe rent increases that far outpace inflation and wage gains.ⁱⁱⁱ

- In 2024, landlords again hiked rents by averages of 6-9% in localities from Wise to Pittsylvania to Prince William to Gloucester Counties.^{iv} In some cases, rent has spiked much higher: 40-50% in one year.^v
- Such severe increases in rent lead to unnecessary cost burdens on Virginia families, forcing many to instead live in unsafe and overcrowded living conditions, experience homelessness, or leave Virginia.^{vi}
- Rising rent costs disproportionately impact low-income families, particularly those with children, elderly, and disabled family members, as well as Black, Indigenous, Asian/Asian American and Pacific Islander, and Latinx families, making it more difficult for them to secure stable, affordable, and safe housing.^{vii}

The **problem** is only getting worse as private equity landlords are increasingly targeting Virginia as an attractive place to buy up multi-family and manufactured housing communities, abruptly raise the rent by 25% or more, decrease the quality of services, and thereby displace families for the sake of a higher profit margin.^{viii}

These bills are the **solution to this problem**. They allow local governments a critical tool to mitigate evictions and prevent displacement; localities can decide if and how anti-rent gouging fits their housing market. By preventing extreme rent increases, localities can stabilize long-term communities, leading to economic prosperity, diverse neighborhoods, better educational outcomes, and healthy families. These bills will make sure that families can stay and thrive in Virginia.

What the Bill Does: This policy is a balanced approach to protect tenants while also incentivizing continued housing construction. If enacted by localities, it would:

- **Limit annual increases in rent** to no more than 3%.
- **Require localities to guarantee a fair rate of return for landlords (NEW amendment):** This bill now requires a locality to exempt landlords from the 3% rent increase limit if they show that their annual operating expenses (including property taxes, insurance, and maintenance costs) have increased to the extent that they cannot make a fair return on investment. The “fair return” is the landlord’s net income after operating expenses for a year that the ordinance is not in effect. If the landlord is not making the same net income after expenses in the current year (adjusted for inflation), the locality then will approve a rent increase sufficient to make the same fair return. This means landlords who do right by their tenants can upkeep the property and continue to make a reasonable profit.
- **Empower localities to tailor exemptions** that respond to their specific contexts.
- **Exempt new construction** of residential units for 10 years in order to promote continued housing construction. Empirical studies in New Jersey and Washington, DC, where new construction is exempt, found that rent stabilization did not reduce new housing construction.^{ix}

Lead Organizations: Legal Aid Justice Center, New Virginia Majority

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ⁱ <https://virginiarealtors.org/2024/05/14/virginia-renter-population-household-types-by-metro-area/>.

ⁱⁱ Franklin County: 42.2%; York County: 39.2%; Winchester City: 37.3%; Stafford County: 36.1%; Spotsylvania County: 34.9%; Albemarle County: 33.8%; Prince William County: 33.6%; Hampton City: 31.5%.

<https://www.washingtonpost.com/business/interactive/2024/rent-average-by-county-change-rising-falling/>. In 2022 alone, landlords raised rents over 20% in some localities. https://www.washingtonpost.com/business/interactive/2022/rising-rent-prices/?itid=sr_1.

ⁱⁱⁱ In November 2024, the 12-month inflation rate for U.S. city average was 2.7%: <https://www.bls.gov/news.release/cpi.nr0.htm>; https://www.cbpp.org/blog/analyzing-the-census-bureaus-2023-poverty-income-and-health-insurance-data?entry_uuid=236c82a1-fb5a-45ab-ad56-d85db6fd1c0c#entry.

^{iv} See <https://www.washingtonpost.com/business/interactive/2024/rent-average-by-county-change-rising-falling/> for average rent increases in 2024.

^v For example, in Alexandria, VA, tenants at an apartment complex saw rents increase up to 50% in 2022 and 2023. In Louisa County in 2022, tenants at a mobile home park saw increases up to 40%.

^{vi} https://richmond.com/opinion/column/commentary-economic-data-shows-virginia-is-growing-but-concerns-linger/article_90c6ada0-99fd-11ee-b484-b75e0188b8d6.html.

^{vii} <https://nlihc.org/gap/about>.

^{viii} <https://www.propublica.org/article/when-private-equity-becomes-your-landlord>; https://richmond.com/mobile-home-rents-rising/article_b8e4e0f7-0f11-534a-bcfe-3bc87576b08c.html; <https://cardinalnews.org/2022/11/02/a-hedge-fund-linked-company-bought-a-mobile-home-park-many-residents-were-told-to-pay-hundreds-more-or-be-evicted>; https://www.cjr.org/special_report/alden-smith-mobile-homes-west-virginia.php.

^{ix} <https://www.urban.org/urban-wire/will-new-statewide-rent-control-laws-decrease-housing-supply>; https://www.policylink.org/sites/default/files/OurHomesOurFuture_Web_08-02-19.pdf at 23 for sources.

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Please support **Anti-Rent Gouging** to protect **VA renters**

This bill allows localities to adopt anti-rent gouging ordinances with yearly maximum rent increases of no more than 3%, unless otherwise justified.*

With the full support of:



Caucus Support:



In 2025:
26+ patrons



&
co-patrons

Supportive

localities

include:



This bill is gaining support each year! Join us! Questions? Ideas? Reach out! AlliesForHousingAction@gmail.com

