

2017 Rent Control Plain Language Summary

Rental Property Registration:

Units Which Do Not Register:

- NJ State Licensed Boarding house units
- Public Housing units
- College dormitory rooms/State Fraternities
- Motels and hotels

Units Which Must Register ANNUALLY but are NOT Rent Controlled

- 2-FAMILY OWNER-OCCUPIED RENTAL UNITS
- Project-Based Section 8 units
- Qualified new construction – contact the Rent Control Office for qualifications

Units Which Must Register Annually and ARE Rent Controlled

- All Other Residential Units, including non-owner occupied units, vacant, rental units, units under construction who are **not** receiving a Certificate of Occupancy and Rental Units pending sale.

2-family owner-occupied properties are **not rent controlled** but **must register their non-owner occupied unit**. This is done to better monitor all rental units, to have all rental units comply with the code compliance 3-year rental inspections, and to discourage fraud by non-resident owners who want to evade their rent control ordinance.

All registrations, fees and notices must be filed by April 1, of each year. Registration fees are \$25.00 per unit. Any registration received after April 30, will be charged a \$5.00 per unit late fee, unless the unit is rented for the first time.

Base Rent:

A landlord may not increase the base rent on a rental unit more than the maximum annual allowable increase. **The maximum allowable increase for 2017 is 2.5%**

For example, if the 2017 base rent was \$1,000, the maximum rent for a lease starting **in 2017** is **\$1,025.00** ($\$1,000.00 \times 2.5\% = \25.00)

NOTICE OF INCREASE: Any landlord seeking an increase in base rent shall, at least thirty (30) days prior to the date on which the increase is to be effective, notify the continuing tenant in writing of the calculations involved in computing the increase.

Surcharges:

The landlord may seek surcharges for, hardship, and/or capital improvements.

In order to add these surcharges to the base rent payment, the landlord must have the surcharge approved by the Rent Control Board at a public hearing.


Vacancy Decontrol (VDC):

A landlord may raise the rent in excess of the maximum annual increase if:

- The previous tenant has vacated the unit voluntarily or through a legal eviction;
- The landlord has submitted a vacancy decontrol application to the Rent Control Office.

Decontrol to Market Rent - Qualifications

- If the vacating unit **HAS NOT** been granted a “Market” VDC in the past **5 years**
- Owner has made an investment over the past 5 years equal to 15% of last year’s annual rent
- Example: Unit being vacated is renting for \$1,000 per month.

If the unit has not had a “market VDC” in the past 60 months and the owner has invested at least \$1,800 in the unit ($\$1,000 \times 12 \times 15\%$) over the past 5yrs, the owner may qualify for a “market” decontrol of the vacating unit. 

Vacancy Adjustment – (limited decontrol)

- If the vacating unit **HAS** been granted a “Market” VDC in the past 5 years, the unit **MAY** qualify for a Vacancy Adjustment (Vacancy Adjustment is calculated as: the allowable increase for that year plus 4%. **Example:** $2017 = 2.5\% + 4\% = 6.5\%$)

- Qualification: Unit did not take a Vacancy Adjustment the previous year; i.e., you cannot take a vacancy adjustment two years in a row.

Substantial Rehabilitation Decontrol – A vacating unit may be decontrolled to market at any time if the owner invests in improvements worth 20% or more of the assessed improvement value of the unit.

- The 20% investment must have been made in the unit in the past 60 months or since the last market VDC, whichever is shorter.

Notices:

- **All leases (written and oral) must contain the following notice regarding the rent control ordinance:**

“This rental unit is covered by The Rent Control Ordinance of the City of New Brunswick. This ordinance affects the landlord’s ability to raise rents, impose mandatory fees and impose surcharges for various landlord expenses. A tenant can seek a remedy against a landlord for violation of this ordinance before the City’s Rent Control Board. Any questions regarding the Rent Control Ordinance should be addressed to the City of New Brunswick Rent Control Chairperson.”

- **Notices to Tenant at Initial Lease or Lease Renewal**

- The landlord must provide the tenant the following at initial lease or lease renewal
- Base rent increase calculation
- Most recent rent registration filing for the unit
- Any notices for surcharge applications made in the previous 12 months
- Any VDC applications made for the unit in the previous 12 months
- Bilingual plain language summary of rent control requirements (this document)

- **Vacancy Decontrol Notices**

- Notice by landlord to tenant in writing of any VDC application (by regular & certified mail)
- Notarized statement by landlord to Rent Control Board that proper notice to tenant has been made
- Notice by Rent Control Board to landlord and tenant (if occupied) of the approval/disapproval of the VDC application

- **Surcharges**

- Landlord must post notice in the lobby of the surcharge application
- Personal notice to tenant at least 30 days prior to the hearing date (by regular and certified mail)

Complaints:

A complaint about the base rent, surcharges or vacancy decontrol may be made to the Rent Control Office at 25 Kirkpatrick Street, Civic Square Building (next to City Hall). The office may be contacted at 732.745.5050. The Rent Control Board will hold a public hearing on complaints that cannot be resolved amicably between the landlord and tenant(s). Violations of the ordinance are punishable by fines levied by the Municipal Court

Penalties:

- A violation of the ordinance is a municipal ordinance violation and is punishable by a fine, possible jail time or community service.
- Rent Control Board Finding of Overcharged Rent:
 - Return of any overcharged rent to the tenant
 - No base rent increase, VDC or surcharge permitted for next 2 annual leases

The full ordinance is available on-line at
<http://municipalcodes.lexisnexis.com/codes/newbrunswick/>

Click on “Title 5 BUSINESS LICENSES AND REGULATIONS then scroll down to Chapter 5.80
RENT CONTROL

The rent control website and forms can be found on-line at
<http://www.cityofnewbrunswick.org/depts/economicdev/rentcontrol.org>

(New Brunswick Rent Control Office): 732.745.5050