

RENT STABILIZATION

SUBSTITUTE NO. 1 TO ORD 25-016

Rental prices have risen much faster than wages of many City residents, making it difficult for them to afford basic needs and causing serious threats to the public health, safety, and welfare of Wilmington.

Rent stabilization would limit how high the rent can be raised each year, capping increases at 3% or the current 12-month Consumer Price Index, whichever is lower.

Rent stabilization does not apply to:

- Affordable or government subsidized housing
- Properties with three or fewer units where the landlord lives in one of the units
- Single co-operative units
- New buildings finished after the passage of this ordinance for the first ten (10) years of existence

How will we ensure landlords a fair return on investment?

In some circumstances, landlords may need to increase rent higher than the allowed limits. The Department of Land Use and Planning will establish a process by which landlords can request a higher rent increase. Rationale includes:

- Changes in property taxes and/or insurance premiums.
- Unavoidable changes in maintenance and operating expenses.
- Planned or completed renovations that are needed to comply with local health and safety codes
- Changes in the number of tenants occupying the rental unit
- Substantial deterioration of the rental unit other than normal wear and tear.

Enforcement

The Department of Licenses and Inspections will create rent stabilization guidelines, forms, and educational material for tenants. Any rent increase not in compliance must be refunded or credited to the tenant. Violations can result in fines or losing rental license. Tenants may also pursue a private right of action in court.