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Los Angeles County landlords have regained a significant degree of pricing flexibility following the expiration of the county's post-fire rent gouging restrictions on May 29, 2026. After more than 16 months of emergency controls enacted in response to the January 2025 wildfires, property owners will no longer be bound by the 10% cap tied to pre-fire rental rates.

The now-expiring rules were designed to stabilize the rental market during a period of acute displacement. They limited rent increases to no more than 10% above pre-fire advertised levels and prohibited rents exceeding 200% of HUD Fair Market Rent for units that were not previously listed. While these measures were initially framed as temporary protections for displaced households, they remained in place well beyond the immediate aftermath of the fires.

A recent effort by the Los Angeles County Board of Supervisors to extend the restrictions through late June failed to gain sufficient support. Although Supervisors Lindsey Horvath and Hilda Solis voted in favor of an extension, three supervisors abstained, effectively allowing the ordinance to sunset. The outcome reflects a growing divide between tenant protection advocates and housing providers over the appropriate duration and scope of emergency regulations.

From an ownership perspective, the expiration marks a return to more conventional market dynamics. Landlords who have been operating under constrained rent ceilings may now evaluate repositioning opportunities, particularly for units that have lagged behind current market rates. In submarkets where demand has remained resilient or rebounded, this could translate into meaningful revenue recovery.

However, the shift does not occur in a vacuum. County officials and tenant advocates have emphasized that a substantial portion of fire-impacted households—estimated at roughly two-thirds—remain in temporary or unstable housing situations. Additionally, many tenants are reportedly exhausting insurance-funded displacement assistance, which could affect affordability and rent collection trends in the near term.

As a result, while formal rent caps are lifting, the political and regulatory environment remains sensitive. Owners should anticipate continued scrutiny of rent increases, especially in highly impacted communities, and the possibility of future policy responses if displacement pressures persist.

For landlords, the immediate takeaway is clear: pricing authority is returning, but it should be exercised with a strategic understanding of both market conditions and the broader policy landscape. Careful analysis of comparable rents, tenant stability, and local sentiment will be critical in navigating this transition effectively.

Source: <https://thelocal.org/housing/la-county-to-end-ban-on-rent-gouging-16-months-after-fires-created-rental-market-chaos/>

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