DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Marc Elrich
County Executive

Scott Bruton
Director

MEMORANDUM

February 19, 2026

TO: Marc Elrich, County Executive
Montgomery County, MD

FROM: Scott Bruton, Director
Department of Housing and Community Affairs

SUBJECT: Office of Rent Stabilization – Activities July 23, 2024 – December 31, 2025

Overview

Executive Regulation 2-24, Rent Stabilization, implemented Codes Sections 29-58 through 29-62 of Chapter 29, Landlord-Tenant Relations, of the Montgomery County Code. This memo provides a summary of the Office of Rent Stabilization's (ORS) activities and accomplishments from July 23, 2024, to December 31, 2025. Future annual reports will cover the period from January 1 to December 31 for each calendar year.

Key highlights from this report include:

- **Service Requests**: The ORS responded to 1,390 service requests – including 54 in Spanish and 1 in Mandarin – with 97.99% requests resolved within three business days.
- **Top Service Request Topics**: Rent increases (56.3%), fees (14.5%), general questions (14.4%).
- **Enforcement Actions**: The ORS received 80 alleged violation requests, issued 11 Notices of Violation, 10 citations, and collected $5,000 in fines.
- **Across Enforcement Actions and Dispute Conciliations**:
  - **Rent Reductions**: Average reduction of $455.82 per month-to-month, $95.41 per 1-Year, and $141.14 per 2-Year leases.
  - **Fee Reductions**: Average reduction of $22.28 per unit, representing a 34% reduction in monthly fees.
  - **Refunds Secured**: A total of $68,515.84 in rent refunds issued across 195 units; $23,243.63 fee refunds issued across 207 units.
- **Petitions and Applications**:
  - Fair Return Applications: Three were received and approved.

    - Capital Improvement Petitions: Three were received and approved.
    - Substantial Renovation Application: One was received and is pending.
- **Troubled Properties**: Regulatory limits on Troubled and At-Risk properties led to increased housing code compliance efforts by property owners.
- **Housing Portal Launch**: The online portal for rent and fee registration, as well as public access, officially launched on September 16, 2024.
- **Housing Portal Registered Units**: A total of 25,649 leases were registered across 17,032 rental units (546 properties).
- **Community Outreach**: The ORS conducted 34 outreach events—including 6 in Spanish—reaching a total of 1,710 attendees.
- **Racial Equity and Economic and Social Justice Impacts:** The Rent Stabilization law, Executive Regulation 2-24, and their enforcement through the ORS are key tools for reducing housing instability and displacement, which disproportionately affect Black, Latino, immigrant, and low- and fixed-income households in Montgomery County.

Background

The Rent Stabilization Law (Bill 15-23) was enacted on July 18, 2023, and became effective on July 23, 2024, through Executive Regulation 2-24. The law aims to prevent excessive rent charges for regulated rental units by defining the base rental amount, limiting rent increases, and regulating types of fees and their rates of increase. It balances the interests of landlords and tenants by ensuring landlords have the opportunity to earn a return on their investments and by moderating rent increases, thereby reducing renter displacement in Montgomery County.

Key components of the law and regulation include:

- Limitations on rent increases for new leases, renewals, Troubled and At-Risk properties, and previously vacant units to protect tenants from significant rent increases;
- Fair Return Applications, Capital Improvement Petitions, and Substantial Rehabilitation Applications allow landlords to receive a reasonable guaranteed return on their investments, pay for necessary capital improvements, and receive regulatory exemption for properties that receive substantial rehabilitation; and
- Regulation of types of fees to keep costs reasonable for tenants and ensure landlords cannot circumvent rent regulations by substantially increasing fees.

Unless exempted, all County-licensed residential rental units built at least 23 years ago or earlier are subject to rent stabilization. Therefore, as of January 1, 2025, all properties built prior to 2002 are subject to regulation; as of January 1, 2026, all properties built prior to 2003 will be subject to regulation. The rental rate increase allowance and fee increases for regulated units are adjusted annually based on the Consumer Price Index for All Urban Consumers (CPI-U) for the Washington-Arlington-Alexandria Area. The rent increase rate is based on CPI-U plus 3% or 6%, whichever is lower, while fee increases are based exclusively on CPI-U. For FY25, the maximum allowable rent increase was 6%, while the maximum allowable fee increase was 3.3%. For FY26, the maximum allowable rent increase was 5.7%, while the maximum allowable fee increase was 2.7%.

The Office of Rent Stabilization (ORS)

The Office of Rent Stabilization was established in March 2024 to administer and enforce Montgomery County's Rent Stabilization Law. In its early months, the ORS played a critical role in establishing the program's implementation framework. Key activities included conducting extensive research on rental housing fees, assisting in developing Executive Regulation 2-24, designing and testing criteria for the new Housing Portal, and negotiating rent reductions.

Following the regulation's approval on July 23, 2024, the ORS developed standardized forms for Capital Improvement surcharges, Fair Return increases, and Substantial Renovation exemptions. The ORS also led countywide education efforts by distributing informational materials, holding public information sessions, and conducting direct outreach to landlords and tenants to raise awareness about rent stabilization requirements. Additionally, the program was designed with multilingual access components, including bilingual staff and translated materials, to ensure equitable access to information and services.

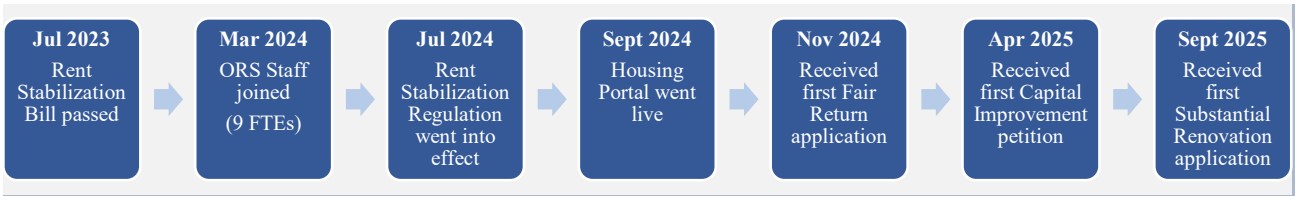
In its first year of operation, the newly formed ORS:

- Created petition application forms and sample rent increase notices;
- Created Knowledge Base Articles (KBAs) for MC311;
- Developed and launched the Housing Portal (September 16, 2024);
- Developed the Alleged Violation Form and procedures;
- Created an internal Service Request tracking system to track case management and resolution;
- Updated DHCA's Landlord-Tenant Handbook to incorporate rent stabilization content;
- Produced informational brochures (English and Spanish)
- Created presentations (English and Spanish);
- Updated the Office of Landlord-Tenant Affairs' Landlord-Tenant Handbook to incorporate information about Rent Stabilization;
- Conducted community outreach (English and Spanish) to educate both landlords and tenants about their rights and responsibilities under the Rent Stabilization Law; and
- Developed Standard Operating Procedures (SOPs).

Currently, the ORS delivers a wide range of services to tenants and landlords. Notably, the ORS provides these support services for both regulated *and* exempt units throughout the County, ensuring that all tenants and landlords have access to resources to help them navigate issues related to rent increases and fees. These services include:

- Outreach and education on rent stabilization;
- Responding to tenant service requests;
- Assistance with rent increase and fee-related inquiries;
- Landlord compliance monitoring;
- Guidance and support for the petition process; and
- Support with the Housing Portal.

Timeline of Key Office of Rent Stabilization Milestones



Exempt vs. Regulated Units

Of the approximately 114,000 licensed rental units in Montgomery County, the ORS estimates that 65,669 (57%) were subject to the Rent Stabilization Law as of December 31, 2025, during most of the period covered by this report. Of the estimated 30,000 rental properties, 11,254 (37%) were rent stabilized as of December 31, 2025.

Rent Stabilized

- **Units:** 65,669
- **Properties:** 11,254

Exempt

- **Units:** 48,783
- **Properties:** 18,934

DHCA estimates that an additional 1,580 units across 93 properties will become rent-stabilized as of January 1, 2026, under the rolling 23-year exemption period (i.e., units in properties built in 2003), bringing the total number of rent stabilized units to 67,249 in 11,347 properties. The lists of rent-stabilized properties and those expected to be covered by rent stabilization in upcoming years are available at https://www.montgomerycountymd.gov/DHCA/Tenants/RentStabilization.html.

In addition to tracking overall rental units and properties, DHCA also monitors various rental license categories, including single-family homes, townhouses, and small multi-unit buildings.[1] As of December 31, 2025, there were 6,999 regulated units and 12,409 exempt units in these categories. By January 1, 2026, those numbers are expected to shift slightly to 7,021 rent stabilized units and 12,387 exempt units.

These estimates account for the following exemptions[2]:

- Units built less than 23 years ago (i.e., as of 2025, all properties built after 2002);
- Accessory Dwelling Units (ADUs);
- Units owned by a natural person with two or fewer units;
- Units that have undergone a substantial renovation within 23 years (DHCA-approved);

[1] The actual number of single-family rental units is slightly lower, as this licensing type also includes other structure types.

[2] These estimates are based on an ORS analysis of DHCA's Licensing database. The ORS does not have data to account for all types of exemptions from rent stabilization; therefore, it is likely that some of the units currently assumed to be rent stabilized qualify for one or more of these unaccounted-for exemptions.

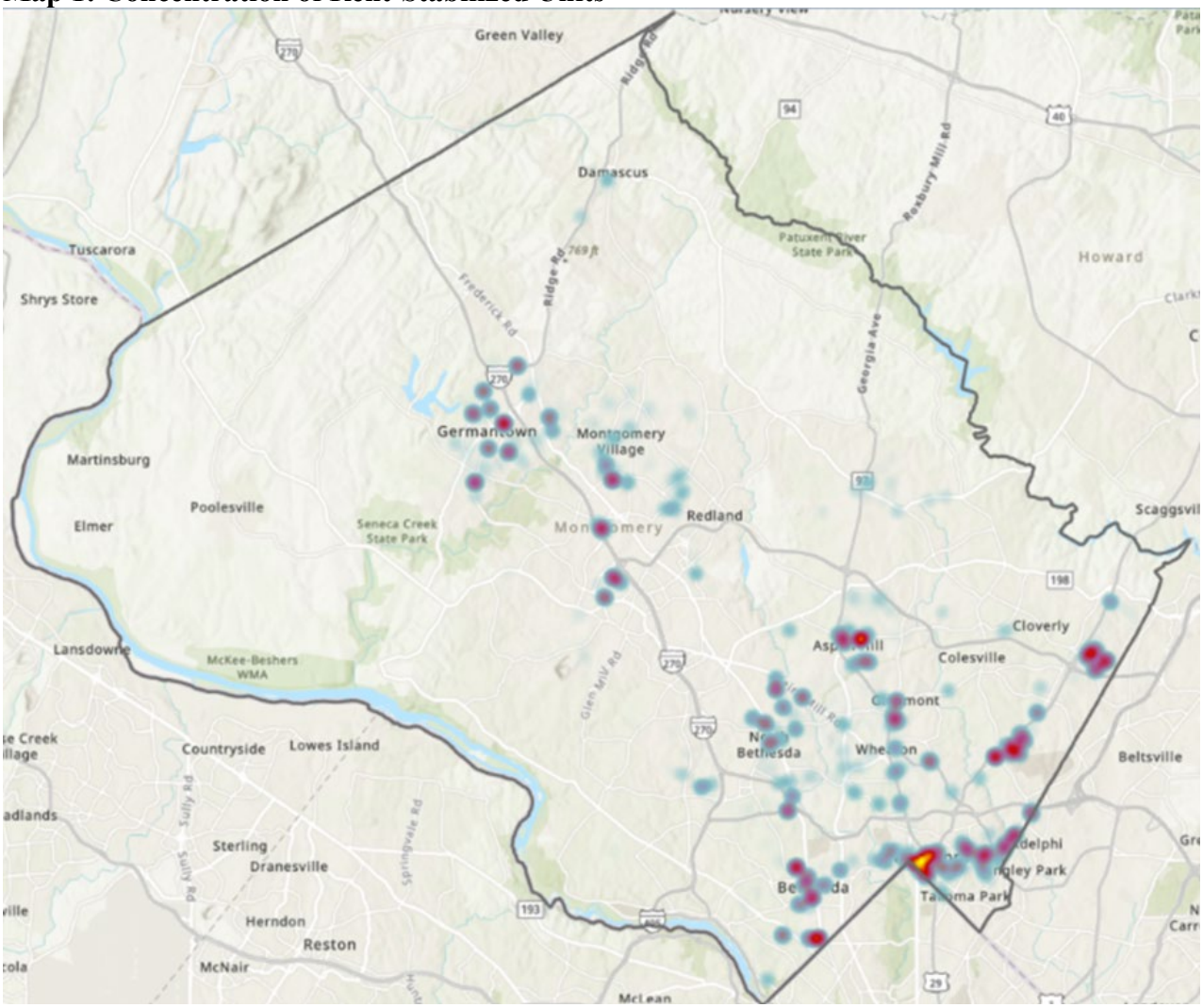
- Licensed facilities that diagnose, cure, and treat illnesses;
- 501(c)(3) nonprofit shelter for temporary housing;
- Owner-occupied group homes;
- Religious facilities (e.g., churches, parsonages, mosques, synagogues);
- Transient lodging facilities (e.g., Airbnb);
- School dormitories; and
- Licensed assisted living facilities or nursing homes.

The following exemptions were not included in the current estimates:

- Units subject to a governmental regulatory agreement (e.g., LIHTC, MPDU);
- Buildings designed to contain 2 dwelling units, one of which is owner-occupied;

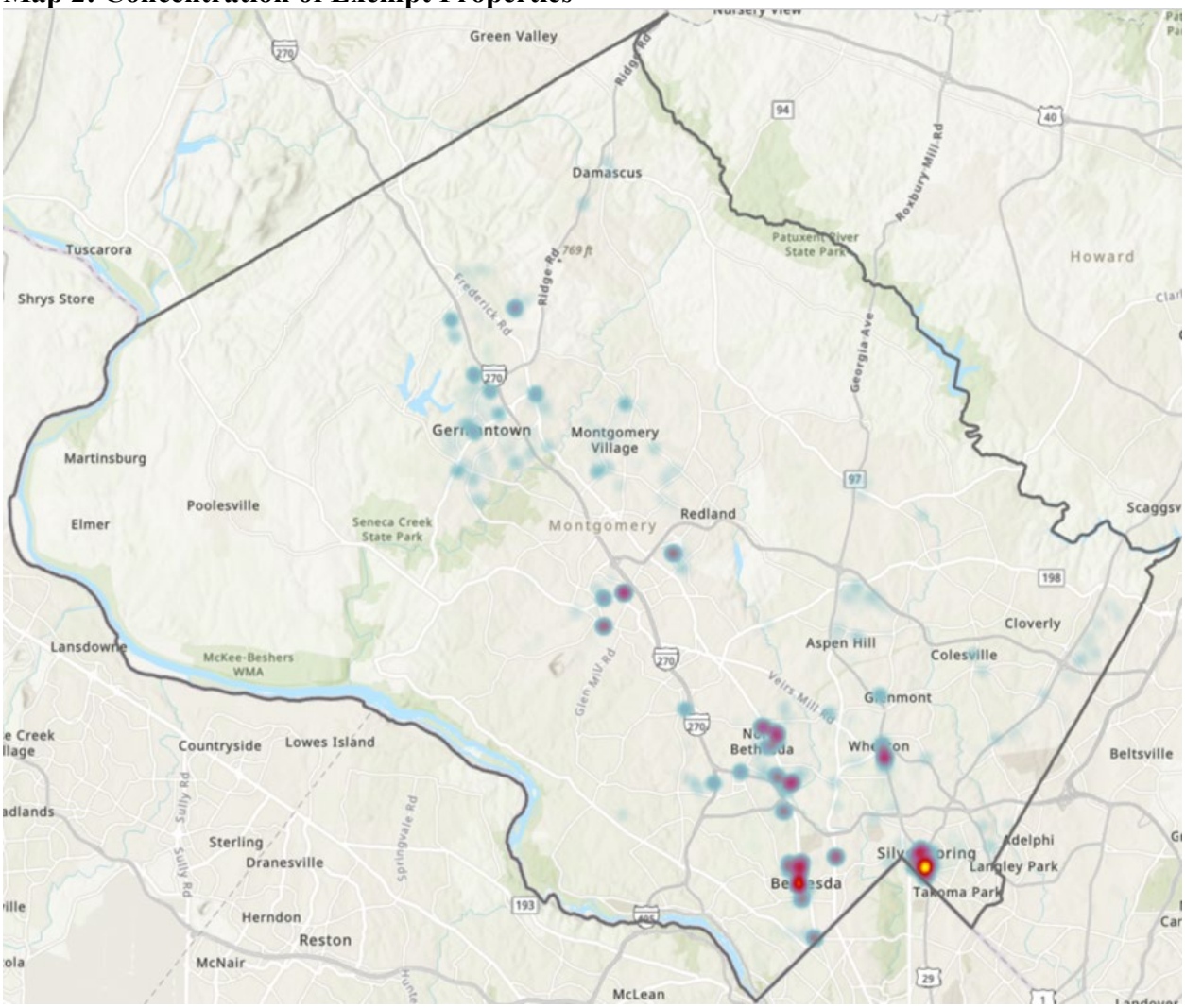
The maps below illustrate the concentration of rent stabilized and exempt properties within the County.

Map 1: Concentration of Rent-Stabilized Units



Source: Office of Rent Stabilization estimates of rent stabilization status as of July 23, 2025.

Map 2: Concentration of Exempt Properties



Source: Office of Rent Stabilization estimates of rent stabilization status as of July 23, 2025.

Service Requests

The ORS responded to 1,390 service requests via MC311, walk-ins, emails, and internal referrals. Since its establishment, in addition to handling rent stabilization inquiries, the ORS has been responsible for processing service requests related to rent increases and fees for both exempt and regulated units across Montgomery County.

These cases often require:

- Detailed research to assess potential violations
- Ongoing communication to collect supporting documentation
- Mediation between tenants and landlords at exempt properties
- Coordination with other County units (e.g., Licensing, Code Enforcement) for systemic issues or follow-up actions

In resolving these service requests, the ORS efforts have led to significant reductions in proposed rent increases and fees, as well as refunds for rent and fees already paid by tenants. A summary of rent/fee savings and refunds secured by the ORS is below.

Service Request Summary

- **Total Service Requests**: 1,390
- **Languages Served:**
  - **Spanish**: 54
  - **Mandarin**: 1
  - **English/No Preference**: 1,335
- **Service Level Agreement (SLA) Compliance**: 97.99%
  (The ORS responded to nearly all requests within the target of 3 business days)

Service Request Category

- **Rent Increases**
  (e.g., inquiries about rent amounts exceeding the allowable limit): 56.3%
- **Fees**
  (e.g., questions regarding types of fees or their rates of increase): 14.5%
- **Rent Stabilization Bill**
  (e.g., general questions about the legislation): 14.4%
- **Housing Portal**
  (e.g., assistance for first-time users, registering rent and fees): 11.9%
- **Petitions/Applications**
  (e.g., assistance with the surcharge/exemption applications: 1%
- **Other**
  (e.g., misdirected calls intended for other departments or calls outside the jurisdiction): 1.9%

Average Rent Reductions Resulting from ORS Service Requests:

- **Month-to-Month Leases**:
  $455.82 per lease, representing an 82% decrease from the proposed increase
- **1-Year Leases:**
  $95.41 per lease, representing a 56% decrease from the proposed increase
- **2-Year Leases:**
  $141.14 per lease, representing a 59% decrease from the proposed increase

Fee Reductions Resulting from ORS Service Requests:

- **Monthly Fee Savings**:
  Average $22.28 per unit, representing a 34% reduction in monthly fees

Refunds Secured[3]

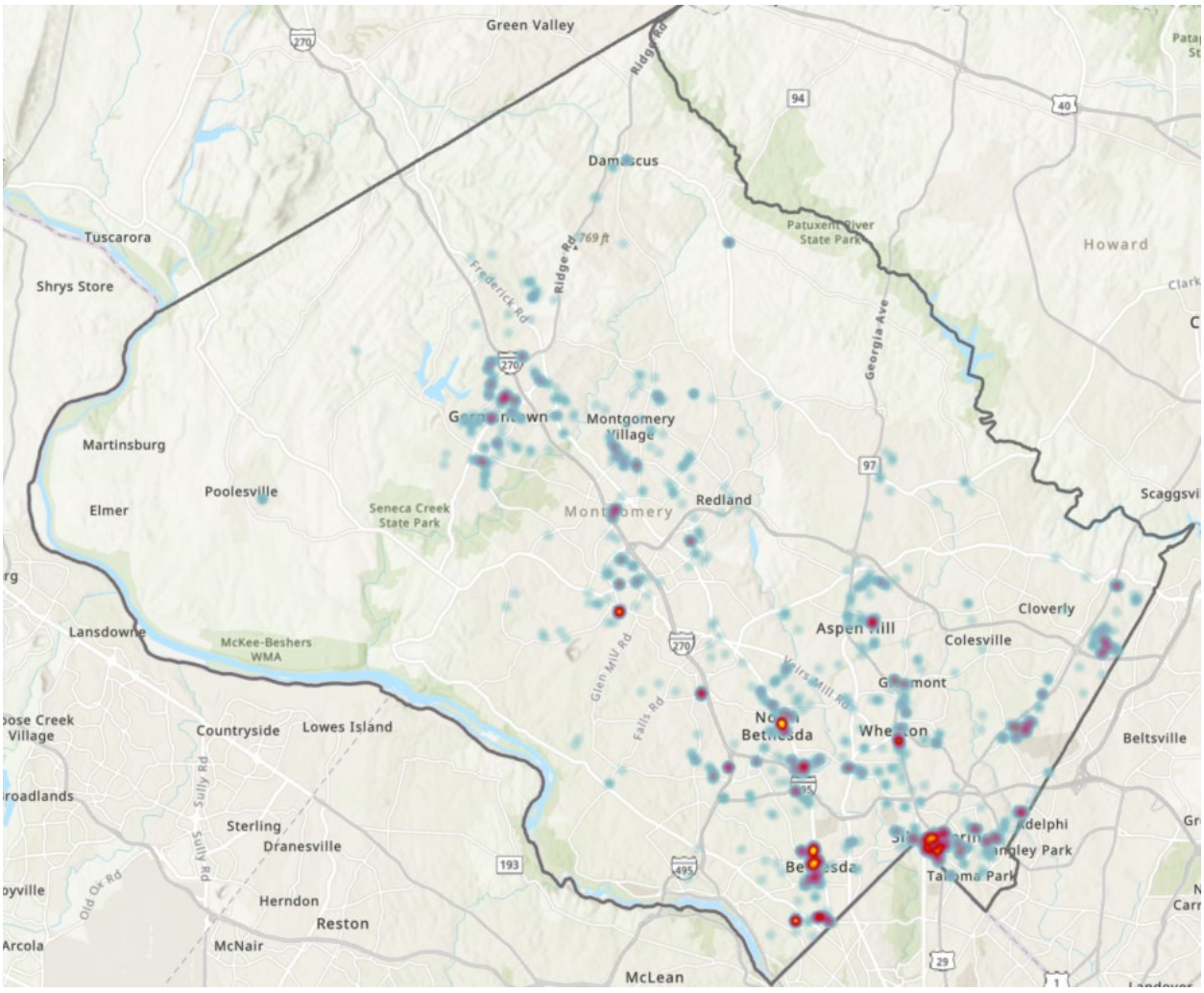
[3] Note that these figures include only rent or fees that were actually collected by landlords and then returned to tenants. They do not include rent or fees that never went into effect because they were found to be in violation of rent stabilization law.

- A total of $68,515.84 in rent was refunded across 195 units, averaging $351.36 per unit
- A total of $23,243.63 in fees refunded across 207 units, averaging $112.29 per unit

Service Request Top Zip Codes

- 20910 – Silver Spring
- 20814 – Bethesda
- 20852 – Rockville area[4]
- 20874 – Germantown
- 20904 – Silver Spring

Map 3: Concentration of Office of Rent Stabilization Service Requests



Source: Montgomery County Office of Rent Stabilization's analysis of service requests received from May 2024 through December 2025.

[4] The ORS does not fulfill service requests within the City of Rockville, but ZIP Code 20852 does include areas within the ORS's jurisdiction.

Compliance and Enforcement

When the ORS responds to inquiries and service requests as described above, it may identify potential violations of the Rent Stabilization Law. When a potential violation is identified (e.g., a rent increase exceeds the allowable limit or an unauthorized fee is being charged), the ORS initiates an alleged violation process.

The ORS investigates each alleged violation case by contacting both the caller/petitioner and the respondent, gathering relevant documentation and information, and assessing (as a neutral party) the facts to determine whether a violation has occurred. If an alleged violation is credible for a regulated unit, the ORS enforces the law by requiring the landlord to reduce the rent or fee increase to comply with the current limits. In unresolved cases, the office may issue a Notice of Violation, and, if necessary, escalate the matter to a formal citation.

In cases where there is no clear violation of the law due to the property's exemption status, the ORS may facilitate mediation between the parties, which can result in rent or fee reductions or refunds.

Although many of these alleged violations involve a single rental unit, their impact may extend beyond the individual case:

- Through landlord education, the ORS helps prevent future violations across other units.
- In some instances, a single case may lead to the opening of a broader administrative case if the investigation reveals that multiple units may be affected by the same issue.

This approach helps resolve individual issues while promoting long-term compliance and systemic accountability.

Alleged Violation/ Contact Requests: 80

- **Issue Type:**
  - **Rent Increases**: 68
  - **Fees**: 12
- **Status:**
  - **Resolved**: 75
  - **Pending**: 5

Notices of Violation: 11

- **Rent Increases**: 9
- **Fees**: 2

Citations: 10

- **Total Fines Collected:** $5,000

Petitions

The Rent Stabilization law was designed to ensure that landlords could maintain the safety and quality of regulated housing and protect their financial investments. The Substantial Renovation Applications, Fair Return Application, and Capital Improvement Petitions allow landlords to request exemptions, surcharges, and rent increases above the regulatory limits.

Fair Return Application

Landlords may apply for a rent increase above the annual allowance if DHCA finds that the increase is necessary for the landlord to obtain a fair return on their investment for regulated units. The landlord must demonstrate that the increased rent is necessary to offset operating expenses and is comparable to the returns on similar investments as specified in Executive Regulation 2-24.

- **Applications Received**: 3
- **Approved**: 3
- **Units Affected**: 3
- **Properties Affected:** 3

Capital Improvement Petition

A capital improvement surcharge may be approved to recover the costs of capital improvements to regulated units, excluding ordinary repair and maintenance costs. The landlord must file a Capital Improvement Petition with DHCA and have it approved. If a unit is subject to a surcharge for capital improvements, tenants have the right to request copies of all plans, contracts, specifications, and permits related to the capital improvements. Lease agreements must disclose whether a Capital Improvement Petition is pending or approved at the time of signing or renewal.

- **Petitions Received**: 3
- **Approved**: 3
- **Units Affected**: 77
- **Properties Affected:** 3

Substantial Renovation Application

Landlords may apply for a 23-year substantial renovation exemption if the cost of renovations equals at least 40% of the building's value (as assessed by the State Department of Assessments and Taxation).

- **Petitions Received**: 1
- **Pending**: 1
- **Units Affected**: 1
- **Properties Affected:** 1

Housing Portal

DHCA's Housing Portal provides landlords, tenants, and the public with access to key information on rental housing. This information includes details on rent stabilization status, Troubled and At-Risk property status, and reported rent and fee data.

All landlords are required to register rent and fees for new leases and renewals. This requirement applies to all rental units, including rent stabilized and exempt units. The ORS continues to conduct outreach with landlords to raise awareness of their responsibility to register and expects these numbers to increase as more people become aware of the platform.

Registrations:

- **Leases**: 25,649
- **Units**: 17,032
- **Properties**: 546

Improved Housing Code Enforcement Outcomes

DHCA's Code Enforcement section is responsible for preserving and improving housing and property standards. In FY25 (July 1, 2024 – June 30, 2025), Code Enforcement reported that the Rent Stabilization Law, which limits rent increases for properties designated as "Troubled" or "At-Risk", has contributed to improved landlord compliance.

Code Enforcement's FY25 Troubled Properties Reports highlights:

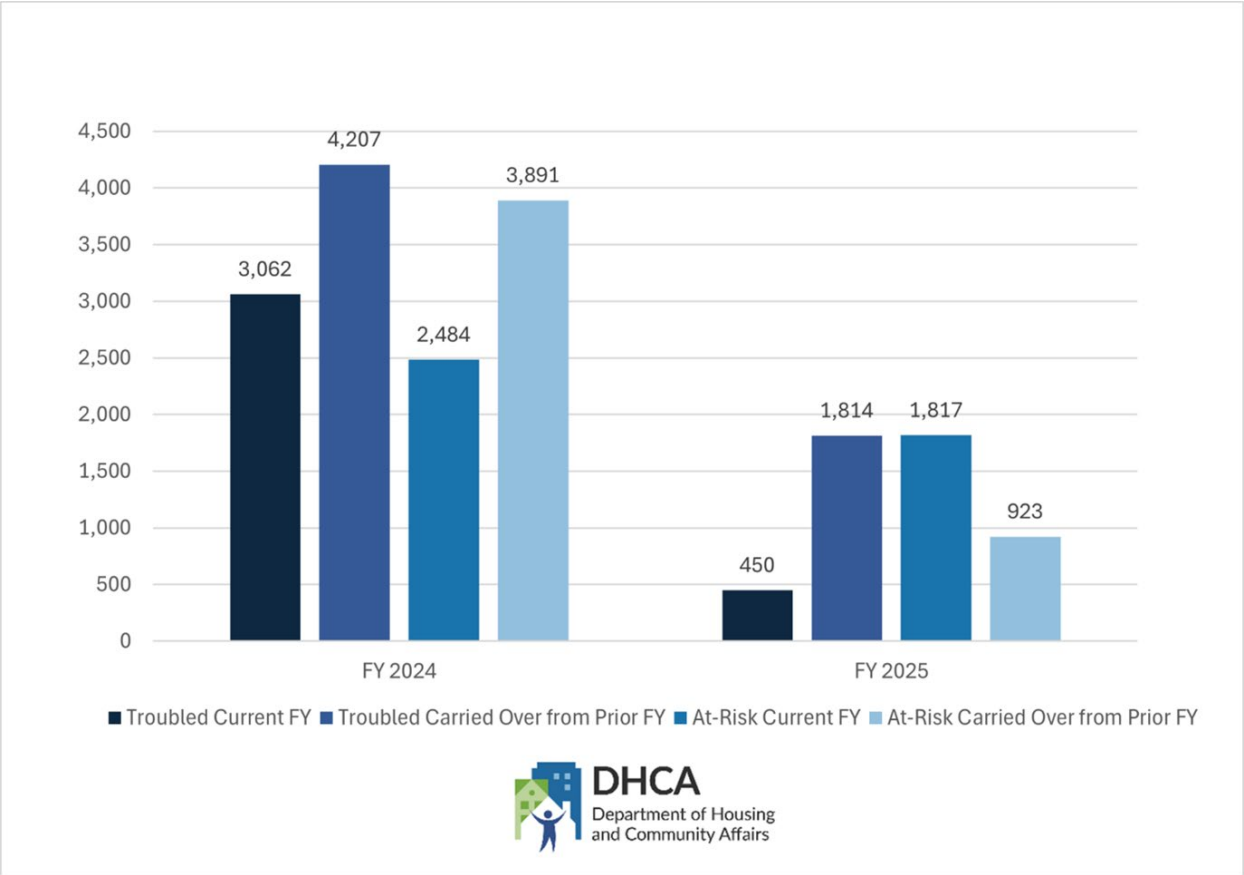
- **The total number of units in Troubled Properties decreased by 69%:** The total number of units on the list declined from 7,269 in FY24 to 2,264 in FY25. There is a total of 67 Troubled Properties in FY25, a decrease from 93 in FY24. Of the Troubled Properties designated in FY24, 38 properties comprising 1,814 units remain designated as Troubled because they did not submit corrective action plans and/or maintenance reports, or because the violations previously identified by DHCA inspectors have not yet been abated.

- **The total number of units in At-Risk Properties decreased by 57%:** The total number of units on the list declined from 6,375 in FY24 to 2,740 in FY25. There is a total of 55 At-Risk Properties in FY25, a decrease from 76 in FY24. Of the At-Risk Properties designated in FY24, 18 properties comprising 923 units remain designated as At-Risk because they have not yet abated violations previously identified by DHCA inspectors.

- **The rate of housing code citations issued for failure to comply dropped by more than half:** Among all inspections (both complaint-based and mandated), DHCA issued 2,059 Notices of Violation (NOVs) to 972 multifamily rental properties. A total of 69 multifamily rental properties failed to make the repairs required by these notices, resulting in 364 citations. In comparison, in FY24, DHCA issued 1,767 NOVs, resulting in 754 citations for 90 multifamily rental properties that failed to comply.

- **Property owners increased compliance efforts following the passage of rent stabilization limitations on rent increases for Troubled and At-Risk properties[5]:** Following the implementation of the Rent Stabilization law and its provisions that limit rent increases at rent stabilized properties that have a Troubled or At-Risk designation, property owners and management have increased their efforts to obtain a Compliant rating by seeking assistance from contractors and specialists to assist with preparing for inspections, correcting violations identified during initial inspections, and developing Corrective Action Plans and Tenant Work Request reports. Additionally, properties that are designated as Troubled or At-Risk are resolving identified violations much sooner.

Figure 1: Number of Montgomery County Rental Units in Properties Designated At-Risk or Troubled



[5] Montgomery County Department of Housing and Community Affairs. 2025. *FY25 Troubled Property Report.* Montgomery County Government. https://www.montgomerycountymd.gov/DHCA/Resources/Files/director/Troubled%20Property%20Report%20FY25%20CE.pdf.

Community Engagement

Community engagement has been a central component of the ORS's implementation and enforcement of the Rent Stabilization law. From developing Executive Regulation 2-24 to enforcing the law, the DHCA sought input from diverse stakeholders, including landlords, tenant advocates, legal aid groups, and nonprofits serving Black, Latino, and immigrant/refugee communities. This feedback shaped the design and goals of the regulation.

The ORS conducted targeted outreach to educate tenants, landlords, and the public through virtual and in-person events and partnered with trusted community organizations to expand reach and build trust in underserved communities. This community-driven approach ensures that the ORS remains fair, accessible, and responsive to the needs of Montgomery County residents, especially those with limited knowledge of their rights or fewer resources. By listening to those most affected by housing challenges, the ORS's implementation of the Rent Stabilization law and regulation continues to evolve as a vital tool for promoting stable, safe, and more equitable housing.

ORS-Led Outreach Activities

- Hosting and facilitating virtual information sessions
- Participating in community events and town halls
- Distributing multilingual educational materials
- Responding to public inquiries through presentations and Q&A forums

Summary of Outreach Activities:

- **Total Events**: 34
    - **Virtual**: 26
    - **On-site**: 8
- **Total Attendees**: 1,710

Outreach Partnerships

Housing Initiative Partnership (HIP), CASA, Montgomery County Renters Alliance, and Latino Economic Development Center (LEDC) educate tenants on rent stabilization and other tenant rights and refer them to the ORS where relevant. These organizations, supported through tenant service contracts, have played a vital role in expanding ORS's outreach capacity.

Racial Equity and Economic and Social Justice Impacts

The Rent Stabilization law, Executive Regulation 2-24, and their enforcement by the ORS are key tools for reducing housing instability and displacement, which disproportionately affect Black, Latino, immigrant, and low- and fixed-income households in Montgomery County. By stabilizing rents, regulating types of fees and fee increases, increasing transparency in rents and fees, providing complaint resolution and mediation services, and creating of a strong incentive for properties to comply with the housing code to avoid being designated as Troubled or At-Risk properties, the ORS's enforcement of the Rent Stabilization law and regulation helps vulnerable residents remain in their homes and communities.

The County's Rent Stabilization law and regulations apply to all rental units in the County, except those that qualify for a specific exemption. Of these exemptions, the ORS estimates that the 23-year exemption for new construction accounts for the largest number. Newly constructed units tend to rent for higher amounts and, in many cases, are located in neighborhoods where a larger share of the housing stock is also newly constructed.

Renters in general are disproportionately Black and Latino and are therefore disproportionately impacted by the Rent Stabilization law and regulation (Table 1). White and Asian renters are also more likely than Black or particularly Latino renters to live in newer buildings that qualify for the 23-year exemption. This disparity in exemptions further increases the disproportionately positive impacts of rent stabilization on Black and Latino renters (Table 2).

Table 1: Households and Renter-Occupied Households by Householder Race and Ethnicity in Montgomery County, MD, 2024

Race/Ethnicity of Householder*	All Households	Renter-Occupied Households
Black or African American	18.8%	32.5%
White	47.2%	31.8%
Asian	16.3%	13.7%
Some other race	8.1%	10.9%
Two or more races	9.2%	10.6%
American Indian and Alaska Native	0%	1%
Native Hawaiian and Other Pacific Islander	0.0%	N/A
Hispanic or Latino origin	15.2%	19.9%

Source: American Community Survey Table S2502, 2024 1-Year Estimates,
**Note: Because the Census Bureau treats Hispanic/Latino origin separately from race, Hispanic/Latino Householders are also represented in one or more racial groups.*

Table 2: Race/Ethnicity of All Renters in Montgomery County by Year Structure Built, 2023

		Year Rental Housing Built	
		1999 or earlier	2000 or later (exempted from rent stabilization)*
	Hispanic/Latino	84%	16%
Not Hispanic/Latino	American Indian or Alaska Native	79%	21%
	Black/African American	79%	21%
	Other/Multiple Races	75%	25%
	Asian or Pacific Islander	72%	28%
	White	72%	28%

Source: 2019-2023 ACS Public Use Microdata Sample, 5-year estimates (tabulated using IPUMS).
**Note that units built in 2000, 2001, or 2002 are grouped with exempted properties due to the way the census classifies building age, but they do not actually fall within the 23-year exemption.*

Because there are other exemptions from rent stabilization beyond building age that cannot be accounted for with census data, the ORS has also examined the geographic relationship between rent stabilization status and the characteristics of neighborhoods (approximated as census tracts) where the rental housing is located.

Maps 1 and 2 above document the differences in spatial concentration of rent-stabilized versus exempt units in the County, accounting for a broader range of rent stabilization exemptions. Map 1 illustrates that rent-stabilized units are found across a wider range of neighborhoods in the County, but are particularly prevalent in eastern Silver Spring, White Oak, Aspen Hill, Germantown, and the Fairland area. Map 2 demonstrates that units exempt from rent stabilization are heavily concentrated in Bethesda, North Bethesda, and downtown Silver Spring. Tables 3 through 10 below demonstrate that rent-stabilized units are significantly more likely to be located in communities with higher rates of Black, Latino, immigrant, and low-income households, residents with limited English proficiency, and higher rates of renting and poverty.

These findings align with studies of rent stabilization and other rent regulation policies in jurisdictions across the country, which similarly find that rent-stabilized units are disproportionately located in communities of color. These studies include analyses of rent regulation policies in places such as New York City, New Jersey, California, and Massachusetts.[6]

Tables 3 - 10: Neighborhood Demographics by Presence of Rent Stabilized and Exempt Units

Table 3: Percent of Neighborhood Population that was Foreign Born in 2020 by Presence of Rent Stabilized and Exempt Units

% of Neighborhood Population that was Foreign Born	Share of Rent Stabilized Units	Share of Exempt Units
0-9%	0%	0%
10-19%	8%	22%
20-29%	27%	35%
30-39%	27%	29%
40-49%	21%	10%
50% or More	17%	4%
Grand Total	**100%**	**100%**

Table 4: Percent of Neighborhood Population with Limited English Proficiency in 2020 by Presence of Rent Stabilized and Exempt Units

% of Neighborhood Population with Limited English Proficiency	Share of Rent Stabilized Units	Share of Exempt Units
0-9%	30%	57%
10-19%	45%	36%
20-29%	12%	4%
30% or more	13%	3%
Grand Total	**100%**	**100%**

[6] PolicyLink, Center for Popular Democracy, & Right To The City Alliance. 2025. *Our Homes, Our Future: Building the Power to Win Rent Control for Stable Communities*. https://www.policylink.org/sites/plorg/files/2025-07/OurHomesOurFuture_Web_08-02-19_0.pdf. The PolicyLink analysis cites several studies including NYU Furman Center, "Profile of Rent-Stabilized Units and Tenants in New York City" (2014); Gyourko and Linneman, "Equity and Efficiency Aspects of Rent Control" (1989); Ambrosius, Joshua D. et al., "Forty Years of Rent Control" (2015); Gilderbloom, John I. and Ye, Lin, "Thirty Years of Rent Control" (2007); Sims, David P., "Rent Control Rationing and Community Composition: Evidence from Massachusetts" (2011); Heskin, Levine, and Garrett, "The Effects of Vacancy Control" (2000); Kelekian, "Report on the April - May 2009 Survey of Tenants of Registered Rental Units" (2010).

Table 5: Percent of Neighborhood Population that was White in 2020 by Presence of Rent Stabilized and Exempt Units

% of Neighborhood Population that was White	Share of Rent Stabilized Units	Share of Exempt Units
0-9%	15%	2%
10-19%	21%	6%
20-29%	16%	19%
30-39%	17%	23%
40-49%	9%	13%
50-59%	9%	16%
60% or more	11%	19%
Grand Total	**100%**	**100%**

Table 6: Percent of Neighborhood Population that was Black in 2020 by Presence of Rent Stabilized and Exempt Units

% of Neighborhood Population that was Black	Share of Rent Stabilized Units	Share of Exempt Units
0-9%	18%	32%
10-19%	22%	24%
20-29%	21%	18%
30-39%	22%	15%
40% or more	17%	11%
Grand Total	**100%**	**100%**

Table 7: Percent of Neighborhood Population that was Hispanic/Latino in 2020 by Presence of Rent Stabilized and Exempt Units

% of Neighborhood Population that was Hispanic/Latino	Share of Rent Stabilized Units	Share of Exempt Units
0-9%	10%	31%
10-19%	41%	42%
20-29%	14%	18%
30-39%	16%	5%
40% or more	18%	4%
Grand Total	**100%**	**100%**

Table 8: Percent of Neighborhood Population that was Asian or Pacific Islander in 2020 by Presence of Rent Stabilized and Exempt Units

% of Neighborhood Population that was Asian or Pacific Islander	Share of Rent Stabilized Units	Share of Exempt Units
0-9%	47%	31%
10-19%	44%	51%
20-29%	7%	12%
30% or more	1%	6%
Grand Total	**100%**	**100%**

Table 9: Percent of Neighborhood Households that Rented in 2020 by Presence of Rent Stabilized and Exempt Units

% of Neighborhood Population that Rents	Share of Rent Stabilized Units	Share of Exempt Units
0-9%	3%	9%
10-19%	6%	13%
20-29%	8%	12%
30-39%	5%	5%
40-49%	12%	11%
50-59%	15%	9%
60-69%	11%	5%
70-79%	11%	9%
80% or more	29%	27%
Grand Total	**100%**	**100%**

Table 10: Percent of Neighborhood Population that was in Poverty in 2020 by Presence of Rent Stabilized and Exempt Units

% of Neighborhood Population in Poverty	Share of Rent Stabilized Units	Share of Exempt Units
0-9%	52%	75%
10-19%	42%	24%
19% or more	5%	1%
Grand Total	**100%**	**100%**

Source (all tables): ORS Analysis of HUD AFFH-T v7

For tenants, the benefits of rent stabilization include a reduced likelihood of being displaced from their unit and, possibly, from the community due to significant rent and fee increases. Historically, displacement disproportionately affects Black, Latino, immigrant, and low- and fixed-income households, residents with limited English proficiency, and higher rates of renting and poverty, particularly in neighborhoods with historically high Black populations.[7]

Research on rent regulation policies in other jurisdictions, such as Cambridge, Massachusetts, and San Francisco, California, indicates that rent regulations can serve as an "anti-displacement tool," enabling lower-income households—often disproportionately comprised of racial and ethnic minority community members—to remain in their homes. For example, a study in Cambridge found that when rent restrictions were removed, there was a notable increase in the number of wealthier residents moving into these areas.[8] Furthermore, some analyses of other jurisdictions examine key policy design elements of rent regulations, such as vacancy control (which is present in Montgomery County's law). One study comparing California cities with vacancy control to neighboring cities without found an increase in the percentage of households occupied by Latino

[7] National Community Reinvestment Coalition. 2025. *Displaced by design: Fifty years of gentrification and Black cultural displacement in US cities*. https://ncrc.org/displaced-by-design/.

[8] Pastor, Manuel, Vanessa Carter, and Maya Abood. 2018. *Rent Matters: What Are the Impacts of Rent Stabilization Measures?* https://dornsife.usc.edu/eri/wp-content/uploads/sites/41/2023/01/2018RentMattersPERE.pdf.

and Asian tenants, controlling for other variables.[9] Tables 3 through 10 above highlight the role that rent stabilization plays in mitigating displacement in communities where this risk is greatest in Montgomery County.

In addition to the presence of populations that are more vulnerable to displacement, areas with rent stabilized properties tend to have lower rents. While lower rents tend to produce lower levels of displacement in general, they are also more susceptible to larger and more rapid rent increases as the housing market or property ownership changes and rents are repositioned.

Renters who spend a larger portion of their income on rent are at a greater risk of displacement and housing instability when rents increase rapidly, because they have a more limited ability to absorb this financial shock. According to the American Community Survey, Black and Latino renters in Montgomery County are more likely to be housing cost-burdened (spending more than thirty percent of their gross income on housing costs). Fifty-nine percent of Latino and fifty-five percent of Black renters in the County are housing cost-burdened, compared to forty-two percent of White renters (see Table 11).

Table 11: Percent of Renters Who Are Housing Cost Burdened and Severely Housing Cost Burdened by Race/Ethnicity of the Householder in Montgomery County, 2023

Race/Ethnicity*	% Housing Cost Burdened	% Severely Housing Cost Burdened
Some Other Race	60.3%	30.9%
Hispanic/Latino	58.9%	27.5%
American Indian/Alaska Native	56.1%	22.9%
Black/African American	55.2%	27.6%
Native Hawaiian/Pacific Islander	52.3%	38.6%
White, non-Hispanic/Latino	42.4%	22.2%
Asian	37.0%	17.8%
All Renter Households	**49.5%**	**24.3%**

Source: PolicyMap tabulations of 2019-2023, 5-Year American Community Survey data.
**Note: Only the White, not-Hispanic/Latino group differentiates between Hispanic/Latino and non-Hispanic/Latino householders. Other racial groups may include householders who identify as both the indicated racial group and Hispanic/Latino. This is a limitation of the way race and ethnicity are reported in the American Community Survey Summary Tables.*

Regulation of types of fees under the law may also have disproportionate benefits for racial and ethnic minorities and lower-income renters. For example, there is evidence that such renters pay higher fees, including rental application fees (due to both higher fee levels and more applications).[10] Under these conditions, rent stabilization plays a crucial role in mitigating displacement, as it requires that significant rent increases occur gradually, giving households sufficient time to adjust and adapt.

[9] Heskin, Allan D., Ned Levine, and Mark Garrett. 2000. *The Effects of Vacancy Control: A Spatial Analysis of Four California Cities.* Journal of the American Planning Association 66 (2): 162–176. https://www.tandfonline.com/doi/abs/10.1080/01944360008976096.
[10] Nelson, Ariel, Steve Sharpe, April Kuehnhoff, and Chi Chi Wu. 2024. *What the Heck, Dude! How States Can Fight Rental Housing Junk Fees*. National Consumer Law Center. https://www.nclc.org/wp-content/uploads/2024/09/202409_Report_What-the-Heck-Dude.pdf.

Since the Rent Stabilization law and regulation took effect in July 2024, DHCA has observed significant improvements in housing quality, health and safety, landlord housing code compliance, and tenant protections, particularly in communities with high concentrations of Black, Latino, and immigrant/refugee residents. Racial and ethnic minorities and low-income renters also disproportionately benefit from the health and safety improvements spurred by the decrease in Troubled and At-Risk properties, described above. Across the County, 98.5% of Troubled Properties and 83.3% of At-Risk Properties are located in areas with high rates of racial and ethnic minorities and low-income renters, so changes in housing code compliance at these properties directly benefit these communities.[11]

Another cause of displacement is eviction. Eviction filings are concentrated in neighborhoods with high percentages of racial and ethnic minorities and low-income residents. Evictions lead to displacement from the community, greater difficulty in attaining housing in the future, and, in some cases, homelessness. Racial and ethnic minorities and low-income residents are also disproportionately represented among the County's homeless population (Table 12). While the Rent Stabilization law and regulation do not address evictions or homelessness directly, they do prevent sudden spikes in rent that can lead to evictions, displacement, and homelessness.

Table 12: Total Adult Homeless Population by Race and Ethnicity in Montgomery County, 2025

Black, African American, or African	56.4%
Hispanic/Latino	19.1%
White	15.6%
Unknown/Multi-Racial	4.4%
Asian or Asian American	3.1%
American Indian, Alaska Native, or Indigenous	0.8%
Native Hawaiian or Other Pacific Islander	0.5%
Middle Eastern or North African	0.2%

Source: Metropolitan Washington Council of Governments. Homelessness in Metropolitan Washington. May 2025: 2025_PIT_Report_Combined_web_rev2.pdf

The ORS has focused its outreach and education efforts on addressing existing disparities by targeting those who experience the greatest structural disadvantages. The ORS's enforcement approach relies in part on tenants reporting potential violations of the Rent Stabilization law and regulation. The ORS's understanding is that tenants who experience greater structural disadvantages are less likely to report potential violations for a variety of reasons, including language access barriers, fear of exposure among immigrant populations, fear of retaliation, and a lack of trust in government agencies. Thus, these outreach efforts, in tandem with partnerships with nonprofit organizations that work directly with tenants, are part of ORS's strategy to target those most harmed by existing housing disparities.

Collectively, this evidence demonstrates that the ORS's enforcement of the Rent Stabilization law and regulation protects tenants from overcharges for rent and fees and fosters systemic improvements in housing conditions for the County's most structurally disadvantaged residents.

[11] Montgomery County DHCA. 2025. *FY25 Troubled Property Report.* Montgomery County Government. https://www.montgomerycountymd.gov/DHCA/Resources/Files/director/Troubled%20Property%20Report%20FY25%20CE.pdf.