

Rent increase is permissible during a condo conversion, courts rule, after the Oakland Rent Board argues otherwise. Our competing narrative prevails.



In a single day, our client purchased four condominiums contained in a recently converted apartment building utilizing four separate escrows. The owner was entitled to raise the rent and did so.

The tenants contested the rent increase before the City of Oakland Rent Board.

Although the residents conceded that their apartments were now legally considered condos, they submitted that they were nonetheless afforded protections under Oakland's rent control ordinance.

Bornstein Law debunked this logic.

In *Golden State Ventures, LLC v. City of Oakland Rent Board*, a state appeals court has asserted the rights of rental property owners to convert their apartment buildings into condominiums and exempt housing from rent control.

After the tenants claimed the units were subject to rent control, Bornstein Law provided a counter narrative. Our position was that under the Costa-Hawkins Rental Housing Act, condos are generally exempt from protections and the rent increase was legal.

The Oakland Rent Board took exception, citing an obscure rule that provides that an apartment converted to a condominium remains subject to local rent control until such time as it has "been sold separately by the subdivider to a bona fide purchaser for value." (§ 1954.52, subd. (a)(3)(B)(ii).

The case hinged, then, on the competing interpretations of the Costa-Hawkins' rent control exemption and whether the Oakland Rent Board was flawed in its stance.

It was our view that the "sold separately" requirement merely means that condos have an individual title, and that rental units shed their rent-controlled status once a landlord sells them after conversion.

With the Oakland Rent Board unpersuaded, we sought review in court.

The Superior Court agreed with our reasoning and our client prevailed, but we were not done yet. The Oakland Rent Board Commission then appealed the decision. An appellate court later affirmed the ruling in favor of our client.