

The Nuances of Buyout Agreements

RESCISSION PERIODS IN THE BAY AREA

Tenants have different timeframes within which they can cancel (rescind) a buyout agreement.
Know the rules before you negotiate.



SAN FRANCISCO

45 DAYS
TO RESCIND



Agreement cannot be executed until **30 days** after buyout discussions commence.

KEY REQUIREMENTS

- ✓ Before any discussions: provide each tenant with the Pre-Buyout Negotiations Disclosure Form.
- ✓ Before any discussions: file the Declaration of Landlord Regarding Service with the Rent Board.
- ✓ Tenant may rescind any time within the first 45 days after all parties sign.
- ✓ Landlord must file the fully signed agreement with the Rent Board between 46 and 59 days after all parties sign.
- ✗ Noncompliant agreement may be rescinded **at any time**.



OAKLAND

25 DAYS
TO RESCIND



May be shortened in writing to no less than 15 days.

KEY REQUIREMENTS

- ✓ Before any negotiations: file the Property Owner Certification with the Rent Adjustment Program.
- ✓ Before any negotiations: provide that certification to the tenant.
- ✓ Tenant may rescind within 25 days after all parties sign or a shorter period in writing, but no less than 15 days.
- ✓ Rescission requires the tenant has not moved out and all tenant parties agree.
- ✓ Executed agreement must be filed with the Rent Adjustment Program within 45 days of signing.
- ✗ Noncompliant agreement may be rescinded within **six months**.



BERKELEY

30 DAYS
TO RESCIND



Rescission available at any time within the first **30 days** after all parties sign.

KEY REQUIREMENTS

- ✓ Before any offer: provide the Rent Board's written disclosure of tenant rights.
- ✓ Agreement must include the mandatory language regarding the right to rescind.
- ✓ Landlord must file the agreement with the Rent Board no later than 60 days after all parties sign.
- ✓ Failure to comply with any requirement renders the agreement **voidable at the tenant's option at any time**.
- ✗ These provisions do not apply to an agreement to settle a pending unlawful detainer case.

THE CLOCK ISN'T THE ONLY THING THAT MATTERS



BEFORE THE CONVERSATION BEGINS

- **SAN FRANCISCO:** Disclosure to tenant and a Rent Board filing before any discussions begin.
- **OAKLAND:** File certification and provide it to the tenant before negotiations begin.
- **BERKELEY:** Provide the Rent Board disclosure before making a buyout offer.



MISS THE RULES?

THE ORDINARY DEADLINE MAY NOT SAVE YOU.



SAN FRANCISCO:

A noncompliant agreement may be rescinded **at any time**.



OAKLAND:

A noncompliant agreement may be rescinded within **six months**.



BERKELEY:

A noncompliant agreement is voidable at the tenant's option **at any time**.



THE TAKEAWAY

Don't confuse the rescission period with the compliance period. The tenant's ordinary cancellation window may be 25, 30, or 45 days—but failing to follow the applicable ordinance can expose the agreement to challenge long after that window would ordinarily close.



These rules are complex and fact-specific. Contact our office for guidance on the requirements that apply to your property.