

Track E

RENTAL OPERATIONS

Navigating Laws & Strategies



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Mastering the Maze

Rent Increase Compliance Scenarios

Cory Brewer and Eric Steven | Rooms 407-8 | 11:15am – 12pm



PRESENTERS



Cory Brewer

Vice President of Residential Operations
Windermere PM/Lori Gill & Associates (WPM/LGA)

As the VP of Residential Operations, Cory wears a number of hats regarding day-to-day brokerage activity. He is heavily involved in keeping multiple office locations working in concert with one another, and he brings a unique perspective to the firm with his background in real estate sales and brokerage management. One of his key roles is to oversee legal compliance (leases, management agreements, resident engagement, vendor relationships, etc.), and he is also a point of contact for Property Manager and Leasing Agent recruiting efforts.



Eric Steven

Principal, Steven Law Office

Eric M. Steven, principal at Steven Law Office in Spokane, focuses on landlord-tenant law in Eastern Washington and Northern Idaho. For over 35 years, he has represented landlords, property owners, and housing providers in eviction, litigation, and fair housing cases. As a licensed real estate instructor, he speaks at major legal and housing conferences, including WSBA and HUD/WSHRC events.



OBJECTIVES

Mastering the Maze

Rent Increase
Compliance
Scenarios

1. Review all state laws and local laws that dictate how residential rent increases are made in the State of Washington.
2. Discuss tips and best practices for smooth operations and compliance.
3. Practice applying the laws to multiple scenarios based on different jurisdictions, lease terms, timing, and other factors while referring to the provided handouts.

Rent Increase Laws

WA STATE LAW

[RCW 59.18.140](#) + [HB 1217](#)

- Give notice 90 days prior to the first day of the term/month when the increase will go into effect.
- Notice must be served per RCW 59.12.040, certified mail + 5 days.
- Statutory form (like RHAWA) must be used.
- No increase in the first 12 months; only one increase each 12 months thereafter.
- When incentivizing a longer term (or lease over MTM), the only legal option is a rent discount up to 5%, with the higher offer under the rent cap.
- Cap set each year = 7% plus Seattle CPI.
2025 cap = 10%; 2026 cap = 9.683%.
- **MHLTA** cap = 5%.

Issaquah, King County, Kenmore, Kirkland, Redmond, SeaTac, Woodinville

Port Townsend

Shoreline

Tumwater

Olympia

Auburn

Bellingham

Spokane

Seattle

Tacoma

+ LOCAL LAW ADDITIONS

City limits superseded by WA State law are not shown.

120 days > 3% (RLTA and **MHLTA**)

120 days > 3%

120 days > 3%; 90 days for optional rent

120 days > 5% or 180 days = 10%

120 days > 5% or 180 days = 10% (≥ 7% EDRA)

120 days > 5%

120 days any amount (≥ 8% EDRA)

120 days ≤ 3% or 180 days > 3%

180 days any amount (10% EDRA)

210-180 days + 120-90 days (≥ 5% EDRA)

Serving Notices

PREPARE NOTICE

Make two copies of the notice for each person listed at the top (one to leave at the residence and one to mail, each in a separate envelope).

“All other occupants.” It is **optional but highly recommended**.

SERVICE IS REQUIRED | OPTIONAL

- **Abandonment**
- Abandoned Property
- Default (Pay, Comply, Quit)
- End of Term (any type)
- End of Tenancy with Cause
- **Entry to Premises**
- Rent Increase (5/7, HB 1217)
- **Rules or Management Change**

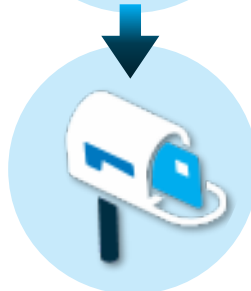
1. Knock or ring the bell & wait for an answer.



Options **A** or **B** if someone answers.



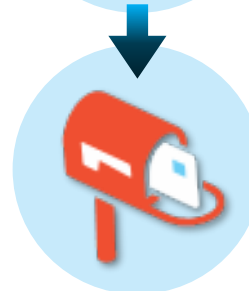
Place one copy in hand of each resident + one extra.



Mailing to each resident is **OPTIONAL** but recommended.



Give a copy for each resident to one person of reasonable age if no one else is home.

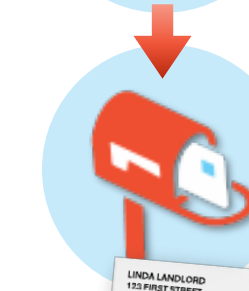


Mailing to each resident is **REQUIRED**.

Option **C** if **NO ONE** answers.



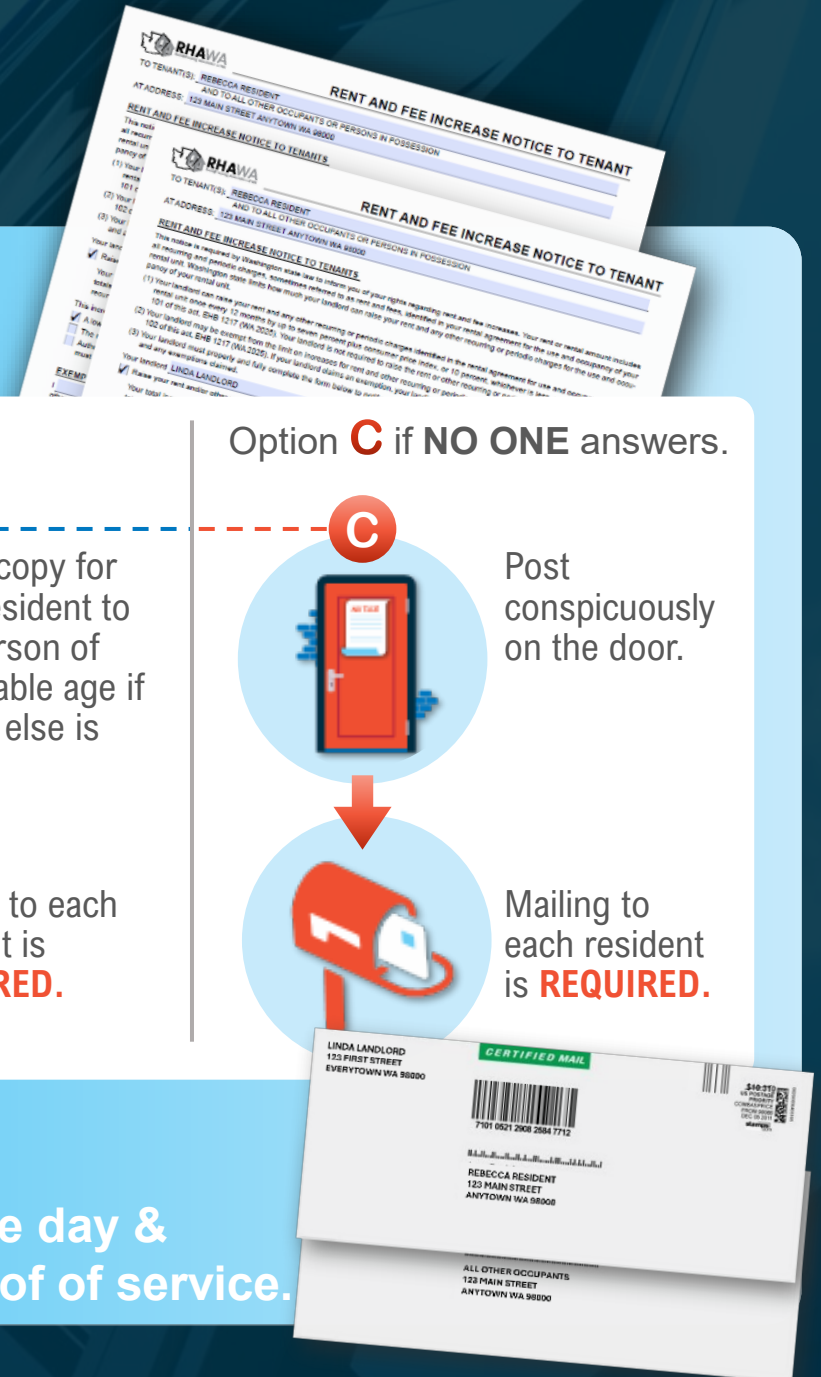
Post conspicuously on the door.



Mailing to each resident is **REQUIRED**.

2. Send via Certified Mail from within WA.

3. Complete “Declaration of Service” same day & file with original notice, + any other proof of service.



Lease Renewal Notice

RCW 59.18.650

- Serve End of Term Notice more than 60 days in advance.
- If increasing rent, ALSO serve the rent increase notice more than 90 days before the increase goes into effect.
- Tenant must sign by the end of the term or vacate (cause “k”).
- Landlord must comply with any longer rent increase notice periods required by the local government.
- Burien, Federal Way, SeaTac, Seattle, and King County (unincorporated) do not allow ending a term lease tenancy without cause. However, you can still enforce fixed terms and end tenancy if the tenant does not accept the lease offer.
- Seattle requires a lease renewal notice between 60 and 90 days. This means two notices when raising rent (180 days required).

TIPS

- Offer lease renewals informally well before the 60-day deadline or with a 90-day rent increase notice.
- If the tenant signs new terms prior to 60 days before the end of the term, and there is no rent increase, there is no need to serve the notice.
- Explain the legal notice change to tenants.
- Schedule a meeting and try to serve all in person.
- Be consistent across all tenants on a property.
- Have a method to keep track of upcoming lease renewals with time for required notices.
- Use third-party mail metering tools (e.g., Pitney-Bowes, Stamps.com).

Renewals With Increases

City of Seattle Law

ENVELOPE 1 6 months +

**RENT
INCREASE**
More than
180 days'
notice.

ENVELOPE 2 2 - 3 months

**LEASE
RENEWAL**
Between 60
and 90 days'
notice.

State Law

ONE ENVELOPE 4 - 6 months +

**RENT
INCREASE**
More than
120 or 180
days' notice.

**LEASE
RENEWAL**
More than 60
days' notice.

Other City Laws*

ONE ENVELOPE 3 months +

**RENT
INCREASE**
More than 90
days' notice.

**LEASE
RENEWAL**
More than 60
days' notice.

**Always serve
BOTH forms.**

* When a longer rent increase is required, you may want to wait and offer a lease renewal later (like in Seattle) to allow for decreasing rent or deciding not to renew.



SCENARIO 1

Oops... forgot

You missed the deadline
to serve a rent increase
notice to align with an
upcoming lease renewal.

What can you do?





SCENARIO²

Utility Puzzle

Do I have to account for a utility rate increase when calculating how much I can increase rent?

“I split the water, sewer, and garbage (WSG) bills evenly between three tenants. When I get the invoice, I bill each tenant to cover the invoice. The utility company just notified me there will be a 5% increase.”



SCENARIO²

Utility Puzzle

Do I have to account for a utility rate increase when calculating how much I can increase rent?

“Seattle City Light says they will increase the electricity billing rate 4-6% each year. My tenants pay directly, but I am responsible if they don’t pay.”



SCENARIO²

Utility Puzzle

Do I have to account for a utility rate increase when calculating how much I can increase rent?

“I include all utilities in rent. Lately, with all the utility increases, taxes, insurance, etc., the 10% cap makes it so that I can no longer cover all these increased expenses. I plan to change my lease terms so that the tenants have to pay their own utilities going forward.”



SCENARIO³

180-Day Notice... Need a Crystal Ball!

Can I give notice for a maximum rent increase now and then offer a lower amount when it's time to renew the lease?





SCENARIO 4

Making a Deal

My tenant understands that I need to increase rent by more than 10% and they are fine with it.





More Questions

Key Takeaways



- ➔ Use official notice forms provided by RHAWA or prepared by your attorney for rent increases AND lease renewals.
 - Those provided by the state do not account for city laws, and those provided by cities do not always account for state laws.
- ➔ Follow notice service instructions provided by RHAWA and also communicate by usual means (e.g., email, portal, etc.).
- ➔ Penalties for errors in rent increases can mount quickly and are a very real threat.
- ➔ Pay attention to your city council activities – laws change frequently without notice.

CONTACTS



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