



NEW LAWS FOR 2025

As of January 1, 2025, California has enacted several new laws impacting real estate, title, and escrow sectors. Key legislative changes include:

1. Credit Reporting of Rent Payments (AB 2747):

Landlords of residential properties with 15 or more units are now required to offer tenants the option to have their positive rental payment information reported to at least one nationwide consumer reporting agency. For leases initiated on or after April 1, 2025, this offer must be made at the time of the lease agreement and at least once annually thereafter. For existing leases as of January 1, 2025, the offer must be made no later than April 1, 2025, and then at least once annually. Landlords may charge tenants a fee to cover actual costs, not exceeding \$10 per month, for this service. This law does not apply to owners of buildings with 15 or fewer units unless certain conditions are met.

2. Security Deposit Handling (AB 2801): Effective April 1, 2025, landlords are required to take photographs of rental units within a reasonable time after possession is returned by the tenant. For tenancies beginning on or after July 1, 2025, landlords must also take photographs immediately before or at the start of the tenancy. These photographs must be provided to departing tenants, enhancing transparency in security deposit deductions.

3. Additional Density Bonus for Student Housing (AB 3116): This legislation increases the potential

density bonus for student housing developments from 35% to 50%. It also raises the number of potential concessions to two and can eliminate parking requirements, aiming to address the acute housing shortage at California campuses.

4. Expansion of Accessory Dwelling Units (ADUs) (SB 1211):

This law allows for the construction of up to eight detached ADUs on a single lot, expanding the previous limit of two ADUs per lot. It also permits ADUs to be built on existing parking spaces without requiring replacement of those spots, facilitating increased housing density.

California State University Long Beach

5. Strengthened Enforcement of Housing

Development Laws (SB 450): This legislation enhances the enforcement of housing development laws against local government interference. It clarifies the intent and purpose of existing housing laws and limits the design and zoning standards that cities can impose on certain housing projects.

These new laws reflect California's ongoing efforts to address housing shortages, enhance tenant protections, and streamline housing development processes. Real estate professionals, landlords, and tenants should familiarize themselves with these changes to ensure compliance and take advantage of new opportunities.

This information is provided as a courtesy of Monarch Title Company. Monarch Title Company is not responsible for any loss or damage due to the use of information contained herein.



MONARCH
TITLE COMPANY