# <u>The low down on Request for Rent Increases</u>

Raising rent on a Section 8 tenant works differently than a standard lease renewal. You can't just send a notice and expect the increase to go through—the request has to go through an approval process first.

Here's everything you need to know about Section 8 rent increases.

**How Section 8 Rent Works**

First, let's clarify the basics. In a Section 8 / Housing Choice Voucher (HCV) lease:

- **Total rent** = what you receive as the landlord
- **HAP (Housing Assistance Payment)** = portion paid by the WCHA
- **Tenant portion** = portion paid by the tenant (based on their income)

The tenant's portion is typically 30-40% of their adjusted income. When you raise total rent, the **HAP usually increases** while the tenant portion stays the same—until their next income recertification.

This is actually good news for landlords: you can often raise rent without increasing the tenant's out-of-pocket cost.

**The Rent Increase Process**

Here's the typical flow for raising rent on a Section 8 unit:

**Step 1: Check Your Lease Terms**

Most Section 8 leases allow rent increases once per year, often at the annual recertification. Check your Housing Assistance Payments (HAP) contract for specifics.

**Step 2: Submit a Request to the WCHA**

You'll need to:

1. Fill out the WCHA's rent increase request form
2. Provide the proposed new rent amount
3. Submit **60-90 days before** the effective date (varies by Authority)

**<u>Don't skip this step</u>**

You cannot unilaterally raise rent on a Section 8 tenant. The Authority must approve it first. Charging more than the approved amount violates the HAP contract.

**Step 3: Rent Reasonableness Review**

The WCHA will compare your proposed rent to:

- Similar unassisted units in the area
- Your unit's condition and amenities
- Recent comparable rentals

WCHA will assess your unit against comparable rentals in the area

If your request is "reasonable," they'll approve it. If it's too high, they may:

- Approve a lower amount
- Deny the increase entirely
- Ask for justification

**Step 4: Wait for Written Approval**

Don't change anything until you receive **written approval** from the Authority. This typically comes within 10-45 days after your request.

**Step 5: Update the Lease**

Once approved, send the tenant a formal rent increase notice and update your records. The authority will also send out notice of the increase to the tenant.

**How Much Can You Raise Rent?**

There's no fixed cap on Section 8 rent increases however WCHA caps the increase at $75 and WCHA uses **rent reasonableness** as the standard.

In practice, this means:

| **Situation** | **Likely Outcome** |
| --- | --- |
| Rent is below market | Increase usually approved |
| Rent is at market | Small increase (2-4%) often approved |
| Rent is above market | Increase may be denied |

Typical annual Section 8 rent increase (when approved) **3-5%**

PHAs want to keep good landlords in the program. If your request is reasonable and your unit is in good condition, you'll usually get approved.

**Common Mistakes to Avoid**

**1. Missing the Deadline**

WCHA requires advance notice- 60-90 days prior to the tenant's anniversary date. Miss this window and you may have to wait another year.

**2. Asking for Too Much**

A 15% increase on a unit already at market rent will likely get denied. Be realistic.

**3. Neglecting the Unit**

If your unit fails NSPIRE-V inspection, your rent increase is going nowhere. Fix issues first.

**4. Charging Before Approval**

This is a serious violation. Always wait for written authority approval before changing the rent.

**What About the Tenant?**

Here's the good news: in most cases, a rent increase **doesn't directly raise the tenant's portion**.

The tenant's payment is based on their income, not your rent. So, if you raise total rent from $1,500 to $1,575:

- HAP might go from $1,200 to $1,275
- Tenant portion stays at $300 (until their next income review)

This makes rent increases easier on Section 8 tenants than market-rate tenants.

**Good to know**

The tenant portion can change at income recertification (usually annual). But your rent increase alone doesn't trigger this—their income change does.

**NSPIRE-V Inspections and Rent Increases**

WCHA requires a unit to pass inspection before approving rent increases. Make sure:

- Smoke/CO detectors work
- No health or safety hazards
- All appliances function
- No deferred maintenance issues

A failed inspection delays (or denies) your rent increase request.

**Tips for Section 8 Landlords**

1. **Request increases annually.** Don't let years go by.
2. **Track market rents.** Know what comparable units rent for.
3. **Maintain your unit.** Pass inspections easily.
4. **Build PHA relationships.** Know your WCHA department.
5. **Document everything.** Keep records of all communications.

**The Bottom Line**

Section 8 rent increases require more process than standard leases, but they're absolutely worth pursuing. Most PHAs approve reasonable increases, and your tenant's out-of-pocket cost often stays the same.

The key is to:

- Submit requests on time
- Stay within market rates
- Keep your unit in good condition
- Get written approval before changing anything

Do this consistently, and you'll maximize income while keeping good tenants.