

[Sender Name]
[Property Management Company/Landlord Name]
[Address]
[City, State, Zip Code]
[Date]

[Tenant Name]
[Tenant Address]
[Unit Number]
[City, State, Zip Code]

Subject: Important Update Regarding Operating Costs and Annual Rent Adjustment

Dear [Tenant Name],

This letter is to provide you with information regarding the management of [Property Name] and the factors influencing our annual rent adjustments under the current local rent control regulations.

As you may be aware, the local rent control cap for this period has been set at [X]%. While we strive to maintain affordable housing for all our residents, we are currently facing significant increases in the costs required to operate and maintain the building. Over the past twelve months, our operating expenses have risen by approximately [X]%, which exceeds the allowable rent increase.

Key areas where we have experienced substantial cost increases include:

- **Utilities:** Higher rates for water, sewage, and electricity.
- **Insurance:** Significant premiums increases for property and liability coverage.
- **Maintenance and Labor:** Rising costs for professional services, repairs, and building supplies.
- **Property Taxes:** Recent assessments resulting in higher tax obligations.

Due to the gap between rising expenses and the maximum allowable rent increase, we must adjust your monthly rent to the full extent permitted by law to ensure we can continue providing essential services, safety upgrades, and timely repairs.

Effective [Date], your new monthly rent will be \$[Amount]. This reflects an increase of [Percentage]%, which is in strict compliance with [Local Ordinance/Law Name].

We value your residency and appreciate your understanding as we navigate these economic challenges while working to preserve the quality of your home.

If you have any questions regarding these changes, please contact the management office at [Phone Number] or [Email Address].

Sincerely,

[Signature]

[Printed Name]

[Title/Position]