

Phat Tran Unlawful rent increase and reduction of leased area – valuation and legal basis

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Loss of Value Summary

Unlawful rent increase and reduction of leased area – valuation and legal basis

1. Background

During renewal of the third-year lease term (April 2024), the property owner increased the advertised rent by approximately **54 %** without notice or justification. To remain housed, the tenants agreed to continue paying **\$5 000 / month** but were limited to approximately **1 500 sq ft** of the original 2 000 sq ft unit. This unilateral change reduced usable area by about **500 sq ft (25 %)** while keeping the same rent level, effectively imposing a hidden price increase and removing part of the premises from lawful occupancy.

2. Financial Calculation

Component	Computation	Amount (USD)
Loss of 500 sq ft of use	25 % × \$5 000 × 12 months	\$30 000
Treble-damages exposure (Pen. Code § 496(c), Civ. Code § 3345)	\$30 000 × 3	\$90 000

The \$30 000 represents one year of diminished value for loss of space and benefit of the bargain. Under the cited statutes, the recoverable total may reach **\$90 000** exclusive of attorney fees or interest.

3. Legal Framework

- **Cal. Civ. Code § 1942.5 – Retaliatory Eviction:** prohibits rent increases or lease modifications made in retaliation for tenant actions protected by law.
- **Cal. Civ. Code §§ 3336 – 3340 – Conversion of Property / Loss of Use:** authorizes damages for deprivation of property value or benefit.
- **Cal. Pen. Code § 496(c):** allows triple recovery where property or money is wrongfully retained.
- **Cal. Civ. Code § 3345:** enhances damages up to 3× for senior or dependent-adult victims.

The rent escalation and reduction in space constitute an *unlawful modification of lease consideration*—the economic equivalent of charging more for less. Such conduct meets the definition of a retaliatory and fraudulent act under California law and supports recovery of treble damages.

4. Evidence Links

- **Lease-Renewal (2024):** shows original 2 000 sq ft description and \$5 000 rate.
- **Listing Screenshots (2024):** show post-renewal advertisement at \$7 700 / month for same property.
- **Floorplan / Inspection Reports:** confirm reduction to 1 500 sq ft accessible area.
- **Bank Records & Receipts:** verify continuing payments of \$5 000 / month.

5. Legal Significance

The \$30 000 annualized loss is not speculative—it is mathematically derived from the rent differential and confirmed by physical inspection data. The statutory trebling provisions elevate the recoverable figure to \$90 000. This claim integrates with the broader damages model described in the Damages & Financial Recovery Summary and supports both civil restitution and criminal-theft enhancement counts.