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RENT INCREASES: WHAT CAN TENANTS EXPECT?

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Each year the government announces the maximum amount that rent can be increased. The amount is calculated using a formula based on the Consumer Price Index. Recently, the law on increases changed, so now all future increases are not more than 2.5%. These maximums are called “guideline increases”.

The *Residential Tenancies Act* (the “Act”) protects most tenants from rent increases that are more than the guideline increase amount. The Act allows a landlord to raise rent only once every twelve months.

In 2012, the guideline was 3.1% and in 2013 it is 2.5%. In 2014, it will be 0.8%. To find out guideline increases for other years, visit the Landlord and Tenant Board (“LTB”) website at www.ltb.gov.on.ca/en/. Before rent can be raised, tenants must be told about rent increase, in writing, at least 90 days before it takes effect.

Sometimes landlords are able to raise rent above the guideline increase amount. If expenses such as municipal taxes or utilities have dramatically increased or if the landlord did significant renovations to the rental complex an additional rent increase may be allowed. To get this additional rent increase the landlord must apply to the LTB and attend a hearing to prove that there are significant expenses which justify an above guideline increase. Tenants are allowed to attend this hearing.

The rules in the Act about rent increases do not apply to tenants if they:

- Share a bathroom or a kitchen with the owner, owner’s spouse, owner’s parent, owner’s child;
- Are living in a unit meant to be used for business or they have a commercial lease;
- Are living in rent geared to income housing;
- Are living in a unit considered a “new” unit.

Tenants with a low income should contact their local community legal clinic for advice about rent increases. Contact information for the Community Advocacy & Legal Centre is below.

More information on housing issues can be found at:

- Community Legal Education Ontario: www.cleo.on.ca/en/resources-and-publications/pubs?language=en&field_legal_topic_tid_i18n=89
- Advocacy Centre for Tenants Ontario: www.acto.ca/
- Community Advocacy & Legal Centre: www.communitylegalcentre.ca/legal_information/Housing.htm

This column provides general legal information and not legal advice. It was written by staff lawyers from community legal clinics, or Legal Aid Ontario, and volunteer local lawyers. The law can change. You should contact a lawyer to determine your legal rights and obligations. If you are living on a low income, you may be eligible for free legal help from LAO (criminal, family or immigration) or your clinic (income security programs, employment law, tenants’ rights, consumer law, or human rights). You can reach LAO at 1-800-668-8258 or visit them online at www.legalaid.on.ca. Contact your local clinic (Community Advocacy & Legal Centre) at 1-877-966-8686 for more information or visit www.communitylegalcentre.ca.

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