

# RESIDENTIAL RENT INCREASES



THE RENT INCREASE AMOUNT FOR **2025** IS **2.5%**.

## RULES FOR RENT INCREASE

- In most cases, the rent for a residential unit can be increased 12 months after either:
  - the last rent increase or,
  - the date the tenancy begins
- Your landlord must completely fill out and give you a Landlord and Tenant Board Form Notice N1, N2, N3 or N10. This tip sheet will only discuss the N1 Notice. This is because the N1 is the most common form our clients receive. If you *do* receive an N2, N3 or N10 document, please contact our legal clinic directly to discuss your options.
- Your landlord must also give you a written notice of a rent increase at least 90 days before it takes effect.

## RENT INCREASE GUIDELINE

- The Ontario Ministry of Municipal Affairs and Housing determines the rent increase guideline on a yearly basis. The guideline is the maximum a landlord can increase tenants' rent during a year without the approval of the Landlord and Tenant Board.
- *The rent increase guideline for the year 2023 is 2.5%.*
- The guideline applies to most rental units covered by the Residential Tenancies Act, 2006.
- This guideline applies to most tenants, such as those living in:
  - rented houses, apartments, basement apartments and condos
  - care homes
  - mobile homes
  - land lease communities
- However, the guideline does not apply to certain types of units including:
  - vacant residential units
  - rental units occupied for the first time after November 15, 2018
  - community housing units
  - long-term care homes
  - commercial properties
- There are different rules regarding rent control and rent increase notices for residents living in social housing.

# N1: NOTICE OF RENT INCREASE

- In most situations when a landlord wants to increase your rent, you will be given a **N1 Notice**.
- The N1 must state:
  - how much your new rent will be, and;
  - the date that the increase will become effective.
- Your landlord must indicate whether the rent increase is within the annual rent increase guideline or above it. If your landlord is seeking an above guideline increase, they will need to obtain an order from the Landlord & Tenant Board granting the increase.
- If the rent increase needs to be approved by the Landlord and Tenant Board you would not be required by law to pay more than the guideline increase until the order is issued.
- On the other hand, if you only pay the guideline increase, you may owe your landlord a significant amount of retroactive rent if an order is issued granting the above guideline increase of rent.
- Your landlord must give you the N1 notice a minimum of 90 days before the date of the rent increase.
- Your landlord may increase your rent if it has been over 12 months since the last increase or since you moved into the rental unit. However, they may increase the rent at any time if you both agree to additional services or privileges.
- You do *not* have to sign a new lease when a fixed term tenancy ends.
- Once the lease expires you are *not* obligated to renegotiate the rent amount. The tenancy will continue month to month under the same terms and conditions.
- New buildings, additions to existing buildings and most new basement apartments that are occupied for the first time for residential purposes after November 15, 2018 are exempt from rent control.

## WHAT YOU CAN DO

- If your landlord has not provided you the proper LTB notice, your rent has been raised by an improper amount, or if the date of the rent increase is less than 90 days after the day the landlord gave you the notice, then the increase is invalid and you do *not* have to pay it.
- You can dispute it at the Landlord and Tenant Board within 12 months after the amount was first charged. This would be done by filing a **T1 form** with the LTB. It is important to challenge any illegal rent charge within one year of the illegal charge. If you do not the illegal rent will become “legal” rent.

Get **free** legal advice to see if your unit is covered under the RTA and how to enforce your right by contacting:



450 Frederick St. #101, Kitchener ON N2H 2P5

Phone: 519-743-0254 or Online Contact Form found at: [www.wrcls.ca](http://www.wrcls.ca)

