

Ontario Capping Rent Increases at the Rate of Inflation

Province protecting tenants with 2.1 per cent cap, the lowest in four years

June 30, 2025

[Municipal Affairs and Housing](#)

TORONTO — The Ontario government is protecting tenants by capping rent increases for 2026 at 2.1 per cent. This cap is based on Ontario's Consumer Price Index, a measure of inflation calculated by Statistics Canada using data that reflects economic conditions over the past year.

"Our government knows tariffs and economic uncertainty are creating challenges for many people in Ontario, including renters, which is why we are capping rent increases for 2026 at 2.1 per cent," said Rob Flack, Minister of Municipal Affairs and Housing. "This cap is the lowest in four years, which demonstrates our commitment to protecting tenants across our province as we continue searching for ways to keep costs down across the province."

From January 2025 to May 2025, Ontario saw 6,977 rental starts, an increase of 25 per cent compared to the same period in 2024. This is the second-highest level of rental starts on record for this time of the year, after 2023, and showcases the government's plan to get shovels in the ground to build more homes, faster.

Quick Facts

- Ontario's cap on rent increases, the rent increase guideline, is the maximum amount most landlords can increase rent during the year without approval from the Landlord and Tenant Board. Ontario has one of the lowest annual caps for residential rent increases across Canada.
- The rent increase guideline applies to the vast majority – approximately 1.4 million – of rental households covered by the *Residential Tenancies Act*. It does not apply to rental units occupied for the first time after November 15, 2018, vacant residential units, community housing, long-term care homes or commercial properties.
- Rent increases are not automatic or mandatory. Landlords may only raise rent if they give tenants at least 90 days' written notice using the [correct form](#).

- Tenants who need help to pay rent are encouraged to contact their local [service manager](#) to see what housing supports are available in their community.

Additional Resources

- Learn more about [renting in Ontario](#) and your rights as a tenant, including easy-to-understand rental leases and protections against wrongful or bad faith evictions.
- Learn about [the rules for rent increases](#), including rent increase guidelines and resolving issues about rent control.
- [Navigate Tribunals Ontario](#) to learn about your rights and responsibilities and the rules and processes at the Landlord and Tenant Board.
- [Visit Ontario's website for information on how to solve a disagreement with your landlord or tenant](#), and learn how we can help if a landlord or tenant breaks a rule under the *Residential Tenancies Act*.

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