# Ontario Caps 2023 Rent Increase Guideline Below Inflation at 2.5 Per Cent

June 29, 2022

**Municipal Affairs and Housing** 

Ontario's rent increase guideline for 2023 is 2.5 per cent, below current rates of inflation. The rent increase guideline is the maximum amount a landlord can increase rent during the year for most tenants without the approval of the Landlord and Tenant Board.

The guideline is based on Ontario's Consumer Price Index, a measure of inflation calculated monthly by Statistics Canada using data that reflects economic conditions over the past year. Due to recent inflation, this would result in a 2023 guideline of 5.3 per cent, however the guideline is capped to help protect tenants from significant rent increases.

"As Ontario families face the rising cost of living, our government is providing stability and predictability to the vast majority of tenants by capping the rent increase guideline below inflation at 2.5 per cent," said Steve Clark, Minister of Municipal Affairs and Housing. "We continue to look for ways to make homes more attainable for hardworking Ontarians, while making it easier to build more houses and rental units to address the ongoing supply crisis."

The 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 gave tenants at least 90 days' written notice using the <u>correct form</u>. In addition, at least 12 months must have passed since the first day of the tenancy or the last rent increase. If a tenant believes they have received an improper rent increase, they can apply to the <u>Landlord and Tenant Board</u> to request a correction.

- The 2023 rent increase guideline is applicable to most rent increases between January 1 and December 31, 2023.
- In most cases, the rent increase cannot be more than the rent increase guideline. Landlords can apply to the <u>Landlord and Tenant Board for aboveguideline rent increases</u>, under certain circumstances, such as after eligible capital work has been paid for and finished.
- Tenants who may need help to pay their rent are encouraged to contact their local <u>service manager</u> to see what housing supports are available in their community.

### **Additional Resources**

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

# **Related Topics**

#### Government

Learn about the government services available to you and how government works.

<u>Learn more</u>

#### **Home and Community**

Information for families on major life events and care options, including marriage, births and child care. Also includes planning resources for municipalities. <u>Learn</u> more

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