

Housing Programs Housing and Social Services Department

Directive

Page 1 of 1

Number: H-14-01 **Date:** October 1, 2014

Subject: 2015 Rent Control Guideline

This Directive is to be implemented by Housing Providers listed under the following programs in Schedule 1 of Ontario Regulation 367/11:

1 (a) – Local Housing Corporation

2 (a) and 2 (b) - Rent Supplement Programs

4 – Federal Program

6 (a) – Non-Profit Program

6 (b) - Non-Profit Co-Op Program

8 – Urban native Program

Directives Archived and Replaced with This Directive

Directive H-13-01, 2014 Rent Control Guideline

Background:

Each year the Ministry of Municipal Affairs and Housing (MMAH) releases the Province's rent control guideline.

In accordance with the Residential Tenancies Act, the guideline is calculated based upon the Ontario Consumer Price Index which is calculated monthly by Statistics Canada, and is regarded as a reliable and objective measure of inflation charting the change in the price of all goods and services in the provincial economy.

The 2015 rent increase guideline was calculated by averaging the percentage increase in the Ontario Price Index for each of the previous 12 months from June 2013 to May 2014

The 2015 Rent Control Guideline is 1.6 per cent and applies to rent increases that occur between January 1, 2015 and December 31, 2015.

In accordance with the Residential Tenancies Act, section 116, a landlord shall not increase the rent charged to a tenant without first giving the tenant at least 90 days written notice of the increase and section 119, requires that at least, 12 months have elapsed since the last rent increase charged to that tenant in the unit or at least 12 months have elapsed since the tenant first rented the unit. This applies, only, to units occupied by households who are paying market

rent as section 7 (2) and (3) of the Act exempts social housing units occupied by tenants/members whose rent is geared-to-income.

Action to be Taken:

Housing Providers may increase the monthly market rent of units occupied by households who are paying market rent in accordance with the Rent Control Guideline and the Residential Tenancies Act.

Sample Rent Increase Guideline – The monthly market rent for an apartment is \$800.00 beginning May 1, 2014. The proper written 90 days' notice to the tenant, the housing provider could lawfully increase the rent 12 months later on May 1, 2015. However, if the tenant occupying the unit has been there less than 1 month, the housing provider must wait at least 12 months after the date the tenant moved into the unit.

The guideline for 2015 is 1.6 per cent. The 2015 rental increase is \$800 times 1.6 per cent equals \$12.80.

Therefore, the new rent on May 1, 2015, or the date 12 months after the tenant moved into the unit, could be up to \$812.80 (\$800 plus \$12.80).

Reference:

MMAH 2015 Rent Increase Guideline

Residential Tenancies Act, 2006, section 7 (2) and (3), 116, 119

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