

Date: September 9, 2020

Subject **2021 Rent Increase Guideline**

Background The annual Rent Increase Guideline is calculated under the *Residential Tenancies Act, 2006*, and is based on the Ontario Consumer Price Index (RTA, 2006, s. 120).

Purpose This HIP Info provides housing providers with the 2021 Rent Increase Guideline. The information can be used for budgeting purposes.

Rent increase guideline Effective January 1, 2021 to December 31, 2021, the Provincial rent increase guideline for 2021, has been subject to a rent freeze (0 %).

<https://www.ontario.ca/page/rent-increase-guideline>

Further review of these guidelines is currently taking place and are subject to change.

About the rent increase guideline The rent increase guideline:

- was calculated under the RTA and is based on the Ontario Consumer Price Index
- is the maximum amount by which private landlords can increase a tenant's rent without making an application to the Landlord and Tenant Board
- also applies to private landlords with rent supplement units as they are not exempt from the RTA.

Private and Municipal non-profit housing providers are not governed by the rent increase guideline.

Co-operative housing providers are exempt from the RTA and the rent increase guideline.

**Amendment
to the rent
increase
guideline**

On June 19, 2012 Bill 19; an Act to amend the Residential Tenancies Act, 2006 in respect of the rent increase guideline; was passed and took effect.

Bill 19 is an amendment to section 120 of the RTA capping the amount rent can be increased at 2.5 per cent for the calendar year.

The Government's proposal to cap annual rent increases at 2.5% (potentially below the rate of inflation) will help lower income households maintain affordable housing.

**Residential
Tenancies
Act, 2006
(s. 120)**

GUIDELINE

Guideline increase

120. (1) No landlord may increase the rent charged to a tenant, or to an assignee under section 95, during the term of their tenancy by more than the guideline, except in accordance with section 126 or 127 or an agreement under section 121 or 123. 2006, c. 17, s. 120 (1).

Guideline

(2) The Minister shall determine the guideline in effect for each calendar year as follows:

1. Subject to the limitation set out in paragraph 2, the guideline for a calendar year is the percentage change from year to year in the Consumer Price Index for Ontario for prices of goods and services as reported monthly by Statistics Canada, averaged over the 12-month period that ends at the end of May of the previous calendar year, rounded to the first decimal point.
2. The guideline for a calendar year shall be not more than 2.5 per cent. 2012, c. 6, s. 1.

Publication of guideline

(3) The Minister shall have the guideline for each calendar year published in *The Ontario Gazette* not later than August 31 of the preceding year. 2012, c. 6, s. 1.

Transition

(4) The guideline for the calendar year in which the commencement date occurs is the guideline established for that year under this section as it read immediately before the commencement

Human Services

10 Peel Centre Drive, Suite B, 5th Floor
P.O. Box 2800, STN B, Brampton, Ontario, L6T OE7
Telephone: 905-453-1300 www.peelregion.ca

date. 2012, c. 6, s. 1.

Same

(5) If the commencement date occurs on or after September 1 in a calendar year, the guideline for the following calendar year is the guideline established for that year under this section as it read immediately before the commencement date. 2012, c. 6, s. 1.

Review by Minister

(6) The Minister shall initiate a review of the operation of this section within four years after the commencement date and thereafter within four years after the end of the previous review. 2012, c. 6, s. 1.

Definition

(7) In subsections (4), (5) and (6),
"commencement date" means the day section 1 of the *Residential Tenancies Amendment Act (Rent Increase Guideline), 2012* comes into force. 2012, c. 6, s. 1.

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