



## Brochure: 2018 Rent Increase Guideline

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The 2018 rent increase guideline is 1.8% and applies to most private residential rental accommodation covered by the [Residential Tenancies Act](#). The guideline is the most a landlord can increase the rent without applying to the LTB.

The guideline is not applicable to:

- Vacant residential units
- Social housing units
- Nursing homes
- Commercial property

There is no limit to how much a landlord can increase the rent each year for these units.

**Timing of rent increases:** In most cases, the rent for a unit can be increased 12 months after a tenant first moved in or 12 months since the tenant's last rent increase. A tenant must be given proper written notice of a rent increase at least 90 days before the rent increase is to take effect.

**Calculation of the guideline:** The rent increase guideline is based on the Ontario Consumer Price Index (CPI), which is calculated monthly by Statistics Canada. The 2018 guideline is calculated by averaging the percentage increase in the Ontario Consumer Price Index during the 12 months from June 2016 to May 2017. By law, the rent increase guideline cannot be more than 2.5 per cent, even if the CPI increase is higher.

**Sample rent increase calculation:** The monthly rent of an apartment is \$1,000 beginning June 1, 2017. With proper written 90 days' notice to the tenant, the landlord could increase the rent 12 months later on June 1, 2018.

This is the calculation for the rent increase:

- The guideline for 2018 is 1.8%
- A rent increase of 1.8% on \$1,000 = \$18
- Therefore, the new rent on June 1, 2018 could be as much as \$1,018

**Above guideline increases:** Landlords can apply to the LTB for an [increase above the guideline](#) for any of the following reasons:

1. Their municipal taxes or utilities costs have increased by more than the guideline plus 50 per cent. (For example, if the guideline is 1.8%, the costs must have increased by more than 2.7 %).
2. They incurred operating costs related to security services.
3. They incurred eligible capital expenditures.

**The guideline and rent deposits:** Every year, the landlord must pay the tenant interest on the rent deposit. The interest rate is the same as the rent increase guideline. For more information on rent deposits, see the [Guide to the Residential Tenancies Act](#).

<b>Year</b>	<b>Guideline (%)</b>
2018	1.8
2017	1.5
2016	2.0
2015	1.6
2014	0.8
2013	2.5

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Toronto area: 416-645-8080

TTY: Bell Relay Service at 1-800-268-9242

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Visit your local LTB office. For office locations visit [our website](#).

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