

GREATER TORONTO APARTMENT ASSOCIATION
action UPDATE

2011 Rent Guideline is 0.7%

June 23, 2010

For Immediate Release

The provincial government has announced that the rent control guideline for 2010 will be 0.7%, ***the lowest increase in the history of rent control in Ontario***. As the 2010 guideline is calculated using CPI data from 2009 to 2010, it will not account for any cost increases resulting from implementation of the 13% harmonized sales tax on July 1, 2010. It will also mean that the interest paid out on the last month's rent deposit in 2011 will also be 0.7%.

The rent guideline is based entirely on a pre-determined formula based on Ontario's consumer price index.

Increasing Your Rent by the Guideline

The rent for a unit can be increased up to the guideline limit if at least 12 months have passed since a tenant first moved in, or if at least 12 months have passed since the last rent increase.

A tenant must be given proper written notice of a rent increase at least 90 days before the rent increase takes effect. The written notice should be on the N1 Form, "Notice of Rent increase", available from the Landlord Tenant Board website, www.ltb.gov.on.ca, under the section "Notices of Rent Increases". There is no requirement for approval by the Landlord Tenant Board.

"This system of determining annual rent increases is absurd," said Brad Butt, President, Greater Toronto Apartment Association. "Is this government actually saying that average cost increases to the rental housing sector have only been less than one percent in the last year? What planet are they living on?"

This rate increase will be of particular impact to Toronto apartments faced with huge waste costs from 2009-2010 on top of regular repairs and maintenance requirements. Cost increases for electricity and gas due to the HST on July 1, 2010 do not factor in at all.