

Directive

Directive: 2025/2026 Affordable Housing Rent Increase Guideline

Issue Date:	July 9, 2025	Directive No.:	AHDIR2025-03
Revision Date:	N/A	Revision No.:	N/A

Applicable Policy:

Type:

The policies and procedures in this Directive are applicable to all affordable units funded by the Canada-Ontario Affordable Housing program.

- | | |
|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Elgin Seniors Housing Development | <input checked="" type="checkbox"/> 2049515 Ontario Inc. (Oxford Mills) |
| <input checked="" type="checkbox"/> United Counties of Leeds and Grenville | <input checked="" type="checkbox"/> Community Living North Grenville |
| <input checked="" type="checkbox"/> Community Involvement
Legacy Homes | <input checked="" type="checkbox"/> Marguerita Residence Corp.
Wall Street Village |
| <input checked="" type="checkbox"/> Marguerita Residence Corp.
St. Vincent De Paul | <input checked="" type="checkbox"/> Secondary Suite Program Landlords |

BACKGROUND

Annual rent increase guidelines for residential tenancies are set each year by the Ontario government based on the Ontario Consumer Price Index (CPI), and is the maximum percentage by which a landlord can increase the rent for current residential tenants without approval from the Landlord and Tenant Board. The guideline is designed to take into account increases in building operating and maintenance costs incurred to protect the health and safety of tenants.

The provincial rent increase guideline applies to any rent increase for current tenancies effective between January 1 and December 31. The provincial rent increase guideline for all rent increases in 2026 is 2.1 per cent.

Affordable housing providers must also maintain "affordable" rents. This means that the increased rent for funded units also cannot be higher than 80% of the average market rent for the area, as communicated by Directive from the Service Manager.

New - An optional person-centered affordable rent table (Table Three) has been added to this directive, which provides an income-based rent table geared to the affordability of low-to-moderate income households in Leeds and Grenville. Affordable Housing Providers are encouraged to consider the rents listed in Table Three where feasible, but are advised that the use is optional.

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PURPOSE

The purpose of this directive is to notify all affordable housing providers within The United Counties of Leeds and Grenville of the 2025/2026 rent increase guideline that is **effective July 1, 2025 to June 30, 2026**, and the allowable average rent as published by Canada Mortgage and Housing Corporation, and the Ministry of Community and Social Services, or alternate Average Market Rent approved by the Ministry of Municipal Affairs and Housing.

ACTION TO BE TAKEN

Each Affordable Housing Provider is directed to increase the Affordable Rent for all funded units in accordance with Ontario's rent increase guideline (see applicable year for the percentage increase) **up to** the allowable rent under the Affordable Housing Program (AHP), Investment in Affordable Housing (IAH), Social Infrastructure Fund (SIF), or Ontario Priorities Housing Initiative (OPHI) by Service Manager area, or applicable Secondary Suite Program policy guidelines.

Table One: Ontario's Provincial Rent Increase Guideline

Time Period	Maximum Percentage Increase
Rent increases that take effect between January 1, 2025 and December 31, 2025	2.5%
Rent increases that take effect between January 1, 2026 and December 31, 2026	2.1%

The rent increase must be approved in a motion by the Board of Directors, if applicable, prior to notifying tenants of the rent increase. The maximum allowable rents under the AHP/IAH/SIF/OPHI and Secondary Suite Programs by unit type and size are as follows:

Table Two: Maximum Allowable Affordable Housing Rents Effective July 1, 2025 to June 30, 2026

Unit Size	Maximum Allowable Rent per Unit per Month
Bachelor	\$1,109
One Bedroom	\$1,232
Two Bedroom	\$1,514
Three Bedroom	\$1,787
Four Bedroom	\$1,787

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ACTION TO BE TAKEN

For Current Tenants:

1. Check Table One and determine the Provincial Maximum Allowable Rent Increase for each unit based on the date the rent increase takes effect (i.e. 2025, or 2026):
Current Rent \times Percentage Increase = Provincial Maximum Allowable Rent Increase
2. Compare the Ontario provincial rent increase guideline rent amount to the Maximum Allowable Affordable Housing Rent listed in Table Two. The **lesser amount** may be charged.
3. All in-situ tenants must be given a **Form N1: Notice of Rent Increase** at least **90 days** in advance of the effective date of the rent increase.
4. At least 12 months must have passed since the tenant first moved in or since the previous rent increase.

For Move-in's:

Units may be rented at the Maximum Allowable Affordable Housing Rent per Unit per month listed in Table Two following a vacancy.

Further restrictions to rent increases may apply to rent increases where the Housing Provider has a rent supplement agreement in place. Reference your rent supplement agreement for further details.

Affordable Housing Rent Increase Examples

Example One: Existing Tenant

Tenant signed a lease for a one-bedroom Affordable Housing unit on January 1, 2025 paying \$990 per month. Under Ontario's Rent Increase Guideline, rents may only be increased by up to 2.1% in 2026, twelve months after the tenant first moved into the unit (or since the previous rent increase).

Current rent (\$990) \times Guideline Percentage Increase (1 + 2.1%) = \$1,011

As \$1,011 is less than the rent listed in the Maximum Allowable Affordable Housing Rent Table for a one-bedroom unit (\$1,232), the maximum this tenants rent may be increased to is \$1,011, effective January 1, 2026.

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ACTION TO BE TAKEN

Example Two: New Tenant

A new tenant is set to move into a two-bedroom Affordable Housing unit on December 1, 2025. The maximum rent chargeable is according to the Table Two: Allowable Affordable Housing Rents, which is \$1,514.

OPTIONAL PERSON-CENTERED RENT INFORMATION

Person-Centered Approach to Affordability

As market rents have continued to rise throughout Canada, including Leeds and Grenville, the Community Housing Department undertook a study to determine what low-to-moderate income households in our community can afford to pay for shelter costs. The study determined that average market rents are slightly above what is affordable, and encourage the Affordable Housing Providers, where feasible, to consider using Table Three: Person-Centered Affordable Rent Table (Optional) when setting maximum rents.

Table Three: Person-Centered Affordable Rent Table for the United Counties of Leeds and Grenville (Optional)

Unit Size	Optional Maximum Rent per Unit per Month
Bachelor	\$930
One Bedroom	\$1,140
Two Bedroom	\$1,360
Three Bedroom	\$1,640
Four Bedroom	\$1,640

REFERENCES

Landlord and Tenant Board 1-800-332-3234 or www.ltb.gov.on.ca
Ontario's Residential Rent Increases <https://www.ontario.ca/page/residential-rent-increases>

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If you have any questions, please contact the following:

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July 9, 2025

Date