

Directive

Directive: 2023 Affordable Housing Rent Increase Guideline

Issue Date:	November 15, 2022	Directive No.:	AHDIR2022-03
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.

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| <input checked="" type="checkbox"/> Elgin Seniors Housing Development | <input checked="" type="checkbox"/> 2049515 Ontario Inc. |
| <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 | |

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 rent increase guideline applies to any rent increase for current tenancies effective between **January 1, 2023 and December 31, 2023**. The rent increase guideline for 2023 is **2.5** per cent.

Affordable housing providers must also maintain "affordable" rents. This means that the increased rent also cannot be higher than 80% of the average market rent for the area.

PURPOSE

The purpose of this directive is to notify all affordable housing providers within the United Counties of Leeds and Grenville of the 2023 rent increase guideline 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.

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ACTION TO BE TAKEN

Each Affordable Housing Provider is directed to increase the Affordable Rent for all units in accordance with Ontario's 2023 rent increase guideline (2.5 per cent) **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.

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

Table One: Allowable Affordable Housing Rents Effective January 1, 2022

Unit Size	Average Market Rent (AMR)	Allowable Rent per Unit per Month
One Bedroom	\$1,125	\$900
Two Bedroom	\$1,315	\$1,052
Three Bedroom	\$1,561	\$1,249

For Current Tenants:

- Determine the Provincial Maximum Allowable Rent Increase for each unit:
Current Rent \times Percentage Increase = Provincial Maximum Allowable Rent Increase
- Compare the Provincial Maximum Allowable Rent Increase to the Allowable Affordable Housing Rent listed in Table One. The **lesser amount** may be charged.
- All in-situ tenants must be given written notice of the rent increase at least **90 days** in advance of the effective date of the rent increase. In addition:
 - € Rent may only be increased on or after January 1, 2022 due to the 2021 rent freeze; and
 - € 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 re-rented at the Allowable Rent per Unit per Month listed in Table One following a vacancy.

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

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Affordable Rent Increase Examples

Example One:

Tenant signed a lease for a one-bedroom Affordable Housing unit on April 1, 2022 paying \$728 per month. Under Ontario's Rent Increase Guideline, rents may only be increased by 2.5% twelve months after the tenant first moved into the unit (or since the previous rent increase). While the maximum AAMR is now \$900 effective January 1, 2023, the maximum this tenants rent may be increased by is limited by the RTA's allowable percentage increase of 2.5%.

Current rent (\$728) x Percentage Increase (1 + 2.5%) = \$746.

As \$746 is less than the Allowable Affordable Housing Rent for a one-bedroom unit listed in Table One (\$900), the maximum this tenants rent may be increased to is \$746 effective April 1, 2023.

Example Two:

A new tenant is set to move into a two-bedroom Affordable Housing unit on February 1, 2023. The maximum rent chargeable is according to the Table One: Allowable Affordable Housing Rents Effective January 1, 2023, which is \$1,052.

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>

If you have any questions, please contact the following:

Mezaun Hodge, Policy and Program Review Analyst

Phone: 613-342-3840, ext. 2463
E-mail: Mezaun.Hodge@uclg.on.ca
Fax: 833-775-0561

Jessica Baird, Policy and Program Review Analyst

Phone: 613-342-3840, ext. 2368
E-mail: Jessica.Baird@uclg.on.ca
Fax: 833-775-0561

Chris Morrison, Manager, Housing Department

Phone: 613-342-3840, ext. 2328
E-mail: Chris.Morrison@uclg.on.ca
Fax: 833-775-0561



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**Chris Morrison, Manager
Housing Department**

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