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Some Information on Your Rights as Tenants (AGIs)

Your landlord has been issuing notices of intent to increase your rent above the provincial guideline. This document provides an overview of your rights as tenants and links to resources where you can learn more.

What is the provincial guideline for rent?

The Residential Tenancies Act limits rent increases to once per year, with 90 days written notice. Each year. The Ontario government also sets a maximum amount that rent can increase by for units constructed before 2018. For rent increases that take effect in 2025, the maximum amount is 2.5%. For rent increases that will take place in 2026, the maximum is 2.1%.

Can my landlord increase my rent by more than the provincial guideline?

Yes, but your landlord needs to meet certain conditions in order to do so:

- Your landlord must have incurred costs through capital expenditures, increased taxes, or increased security services provided to the building.
- The increase cannot exceed more than 3% per year, although it may be spread out over multiple years.
- The landlord must give you 90 days written notice using an N1 form.
- The landlord must apply for approval to the Landlord and Tenant Board.

What counts as capital expenditures?

In order to be eligible for an AGI (above guideline increase), capital expenditures must be for an extraordinary or significant renovation, repair, replacement or new addition that has an expected benefit of at least five years.

This may include protecting or restoring the physical integrity of the building, compliance with repair standards under the Residential Tenancies Act, maintenance of plumbing, mechanical, electrical, ventilation, or heating and cooling systems, or providing accessibility for persons with disabilities.

What is not included in capital expenditures?

Regular maintenance work, cosmetic work (such as painting), and upgrades to promote the luxury level of the building or units is not eligible for an AGI. Replacing items that did not need replacing is also not eligible.

Can I fight the rent increase?

Yes! You do not have to sign the landlord's rent increase notice agreeing to pay the higher rate. You have the right to participate in the landlord's hearing at the Landlord and Tenant Board to argue that the application should not be approved.

Can my landlord evict me if I do not sign the N1 form or if I fight the application at the LTB?

No, it is your right to contest an above guideline rent increase and a landlord cannot evict you for exercising your legal rights.

What happens if I already signed the N1?

An above guideline rent increase is only legal if it is approved by the LTB, therefore the decision at the LTB will apply to you as well as to other tenants. If the application is refused, you may need to take action to ensure your landlord reimburses you for any additional rent you paid before the decision was issued.

What are my rights to information about the application?

The landlord must provide you with 30 days written notice of the LTB hearing date. If you request it, the landlord must also share the L5 application with you, along with supporting documents. This could include emailing you a copy, providing you a photocopy, or allowing you to view the documents in the landlord's office.

What happens at the LTB?

You will have the opportunity to make arguments against the landlord's application, present evidence and call witnesses to support your case. You may also question any witnesses the landlord calls. The adjudicator may also ask both sides questions. The adjudicator will then issue a final decision in writing.

What happens if I don't attend the hearing?

You will be bound by the decision of the LTB even if you don't attend the hearing.

If the landlord's application is approved, is the increase in rent permanent?

An above guideline rent increase is time-limited. However, landlords generally do not notify tenants of this. The LTB order will approve the AGI for a set amount of time, such as three years. After that time, the increase expires. Hold on to the written decision of the LTB and at the end of the term, contact your landlord and inform them in writing that the term has finished and your rent should be decreased accordingly.

Do I need to pay the above guideline increase before it is approved by the LTB?

No, you do not need to pay the AGI portion of your rent until the application is approved and an order is issued. However, you must continue to pay your regular rent plus the guideline amount. If the landlord is successful, you will be required to pay the additional portion going back to the date on your N1 form or a date approved by the LTB. It's therefore recommended to set aside this amount until a decision is issued to make it easier if you do need to pay retroactively.

If you have paid the full amount of the AGI and the landlord's application is not approved, the landlord owes you the difference in rent.

Where do I go for legal advice or to find more information?

For legal advice, you can reach out to Community Legal Services of Ottawa, to a paralegal, or to a lawyer. The contact information for Community Legal Services of Ottawa is here: <https://www.clsottawa.ca/contact-us/>

Pro Bono Ontario has a legal advice hotline at 1-855-255-7256 that offers 30 minutes of free legal advice, available from Monday to Friday between 9:00 a.m. to 5:00 p.m.

The Ontario Legal Information Centre also offers a free 30-minute meeting with a lawyer at 1-844-343-7462 You may have to leave a message, and a lawyer will call you back.

Please note that while this information is based on the Residential Tenancies Act, it does not constitute legal advice. You are strongly encouraged to seek legal advice from Community Legal Services, a lawyer, or a paralegal.