

A modern, bright living room with a large light-colored sectional sofa, a round coffee table with a tray of drinks, and large windows in the background. The room is decorated with indoor plants and has a clean, minimalist aesthetic.

WITH ONTARIO'S RENT INCREASE GUIDELINE FOR 2025

# Rent Increase Guide for **Owners & Investors**

**LandLord**

PROPERTY & RENTAL MANAGEMENT INC.



LandLord Property & Rental Management offers streamlined services for property owners and investors in Toronto and GTA. With nearly three decades of experience, LandLord addresses common ownership challenges such as tenant screening, lease management, and maintenance.

In addition to these core services, LandLord offers a wide range of solutions through its brokerage division, which provides realty services, and its renovations division, which handles renovations and residential construction.

With its comprehensive services and client-focused philosophy, LandLord continues to set the standard in residential property management in the region.

*I've been working with LandLord for over 10 years and our interaction has always been smooth and easy. Whenever I have a question it has been promptly addressed, and I feel taken care of by them no matter what my needs regarding my property are.*

- Lin

[Read More Testimonials](#)





## Rent Increase Guidelines for 2025

As a landlord in Ontario, understanding the legal framework and best practices for rent increases is essential for maintaining a successful rental property. This document provides information you need to know to navigate rent increases confidently and ethically.

The Ontario government sets an annual guideline that limits the amount by which most landlords can increase rents without seeking approval from the Landlord and Tenant Board. **For 2025, this guideline is set at 2.5%** (for the third year consecutive), and it's effective on **January 1, 2025**.

It's important to remember that *not all rental properties* are subject to this cap. Here's a detailed look at the properties that are **exempt** to this guideline:

### I - New Buildings and Additions

- **Newly Constructed Units:** Rental units in buildings first occupied for residential purposes after November 15, 2018, are exempt from the rent increase guideline. This means landlords of these properties can increase rent by more than 2.5%, provided they comply with other applicable regulations.
- **Additions to Existing Buildings:** Similarly, if a new rental unit is added to an existing building post-November 15, 2018, it is not subject to the guideline. This allows landlords to adjust rents to market rates, potentially making these investments more attractive.



## II - Vacant Residential Units

- Re-Rented Units: When a tenant moves out, the landlord has the opportunity to set a new rent amount for the incoming tenant. This allows landlords to adjust rents to current market rates, which can be significantly higher than the controlled increase allowed for existing tenants.

## III - Commercial Properties

- Non-Residential Units: The guideline does not apply to commercial properties. Rent adjustments for these properties are governed by lease agreements and market conditions rather than provincial guidelines.

### OCCUPANCY STATUS

99%

VACANT: 1



# Here Are 4 Simple Steps to Increase Your Rent Following Ontario's Guidelines

1

## Calculate the New Rental Value

Identify the current rent amount for each unit.

Multiply the current rent by 1.025 to get the new rent amount (2.5% increase)

*For a quick calculation, use our [Free Rent Increase Calculator](#).*

2

## Draft the Rent Increase Notice

Use the [N1 form](#) from the Landlord and Tenant Board (LTB).

Include the new rent amount and effective date.

3

## Serve the Notice

Deliver the notice in person, by certified mail, or through an electronic system if permitted.

Ensure it is served **90 days** before the intended increase date.

4

## Maintain Documentation

Keep copies of the notice and proof of delivery.

Obtain a tenant acknowledgment receipt if possible.

### Notes

I . Landlords must provide a 90-day written notice before the rent increase can take effect. This means that if a landlord intends to increase rent on January 1, 2025, the notice must be given by October 3, 2024.

II. Rent can only be increased once every 12 months.

III. For those whose properties are exempt, you should still follow the same process of providing notice and adhering to the timelines mentioned above.

IV. If your property is exempt from the guidelines and you need help adjusting your rental value, [contact us](#) to discover how our rental management services can help.

## Resources

### Forms

### Filling Instructions

[N1: Notice of Rent Increase](#)

[N1 Instructions](#)

[N2: Notice of Rent Increase \(Unit Partially Exempt\)](#)

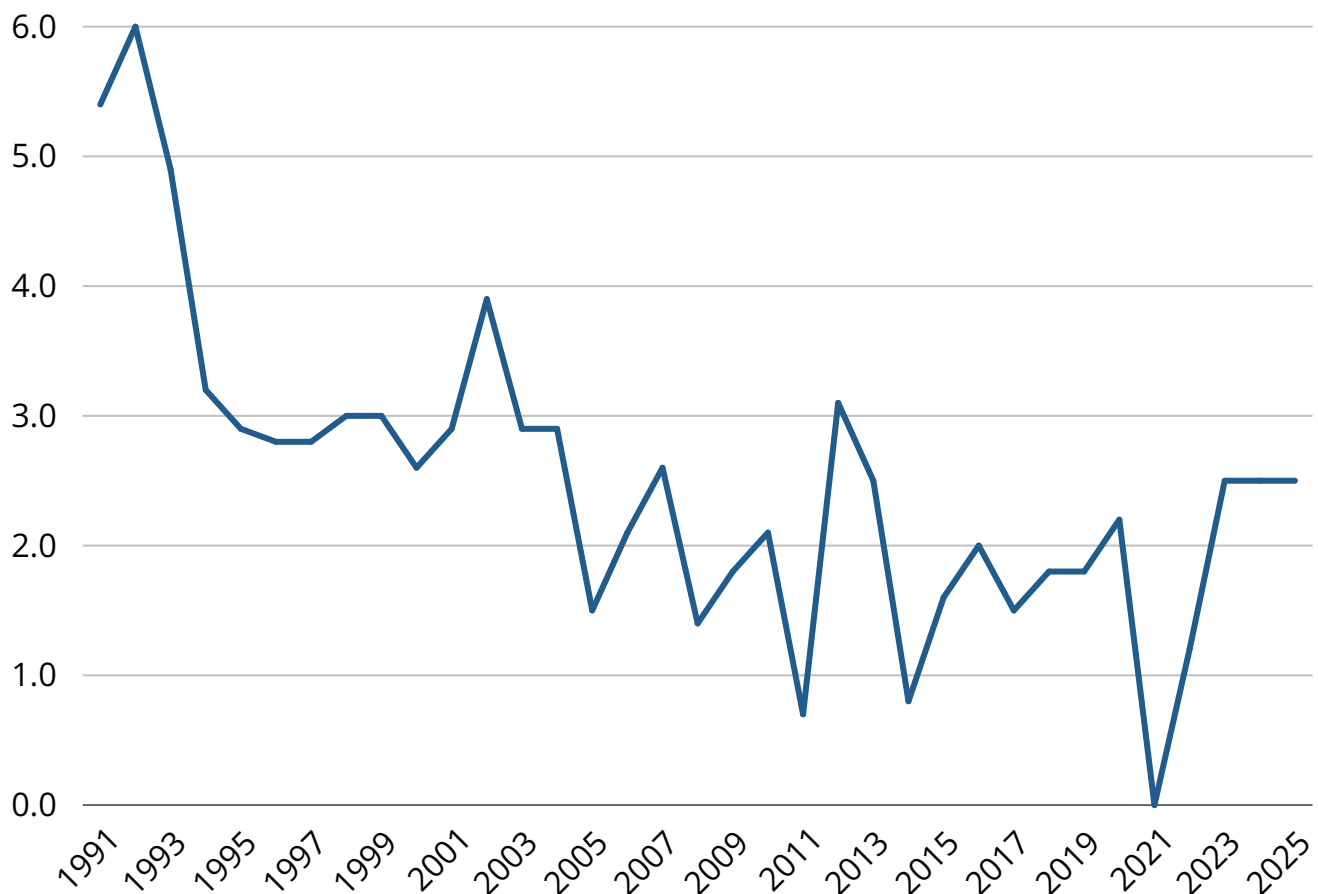
[N2 Instructions](#)

[N10: Agreement to Increase the Rent Above the Guideline](#)

[N10 Instructions](#)



## Historical Trend Of Rent Increase Guidelines In Ontario





**YOU MIGHT ALSO BE INTERESTED:**

## **How Much Can I Rent My House For?**

Whenever you're tasked with having to re-rent one of your units, you're inevitably faced with the same crucial question: "How much should I charge for rent?". Determining the ideal rental value is an important decision, extending beyond covering expenses and generating profits. It's also about securing responsible tenants who care for your property and improve its value over time (rather than detract from it).

Below we highlight some factors you should consider when determining the rental value of your investment property and some strategies that can be used to increase cash-flow.

For professional and personalized assistance please get in touch with our team at LandLord Realty Inc., Brokerage.

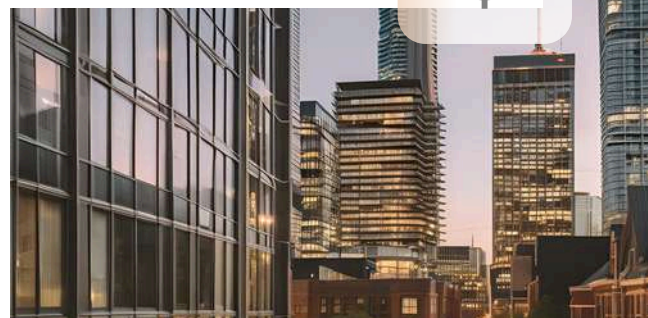
## **What is an Ideal Rental Value?**

Establishing an ideal rental value is rooted in the desire to maintain positive cash-flow. The lease rate should, of course, cover all expenses, but it should also be an amount that feels fair for your tenants.

When the price is set too high, fewer renters will apply or even view the property, and of course, when the price is set low, you risk negative cash-flow. Here are some tips for striking a sustainable balance.

## **Factors Impacting Rental Prices**

We've selected 3 factors that strongly influences the rental rate of a property:



## **Factor #1: Number of bedrooms**

The number of bedrooms is a strong indicator of the rental value of a property. The correlation between number of bedrooms and listing price is driven by the fact that bachelor's and one-bedroom units attract single people and 2 bedrooms or more can attract couples and roommates, increasing the household income. An ability to share the cost of living helps in times of reduced affordability and also insulates you from vacancy loss.

## **Factor #2: The type of rental property**

The type of property you are tenanting can greatly affect the rate you can charge per month. Here are some notes regarding different, popular rental properties.

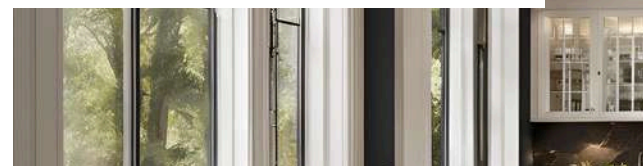
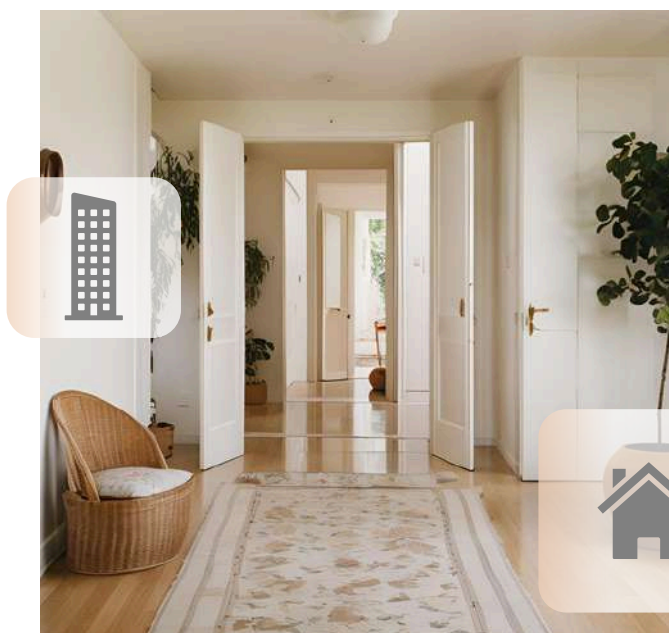
- Condo Units

Resort-style amenities and convenient central locations can push the average rental price for condo units up – beyond rates achievable in purpose-built rentals and multiplexes. Condos have the most predictable rates with little volatility.

- Apartments and Multiple Units

The vintage and level of finish of the building or community being assessed is a critical factor in determining value. Much of the inventory available is much older than the available condo inventory, and few offer any type of amenities.

If you own a purpose-built rental, keep on top of upgrades and design trends to ensure it's appealing. Also, don't forget about the front and back yards – the garden can be an amenity too!





- Townhouses

Townhouses can be freehold or condominiums. The average lease rate for a townhouse is correlated to its size. The higher the square footage, the more you can expect to charge in rent.

On the other hand, condo townhouses often lack access to the amenities offered by their high-rise counterparts, which may impact desirability. Try and seek out townhomes with roof-top terraces, this will help bridge the gap in terms of amenities.

- Single-Family Homes

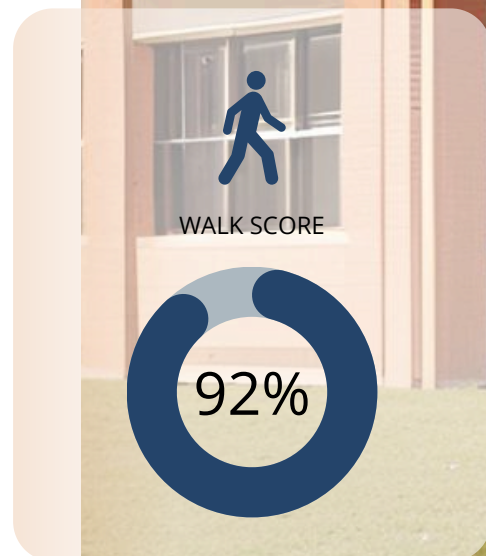
Families place quite a bit of value on the privacy, additional square footage, and exterior space that a detached home provides.

Single family homes for rent command a wide range of lease rates, heavily dependent on location, school district, and level of finish.

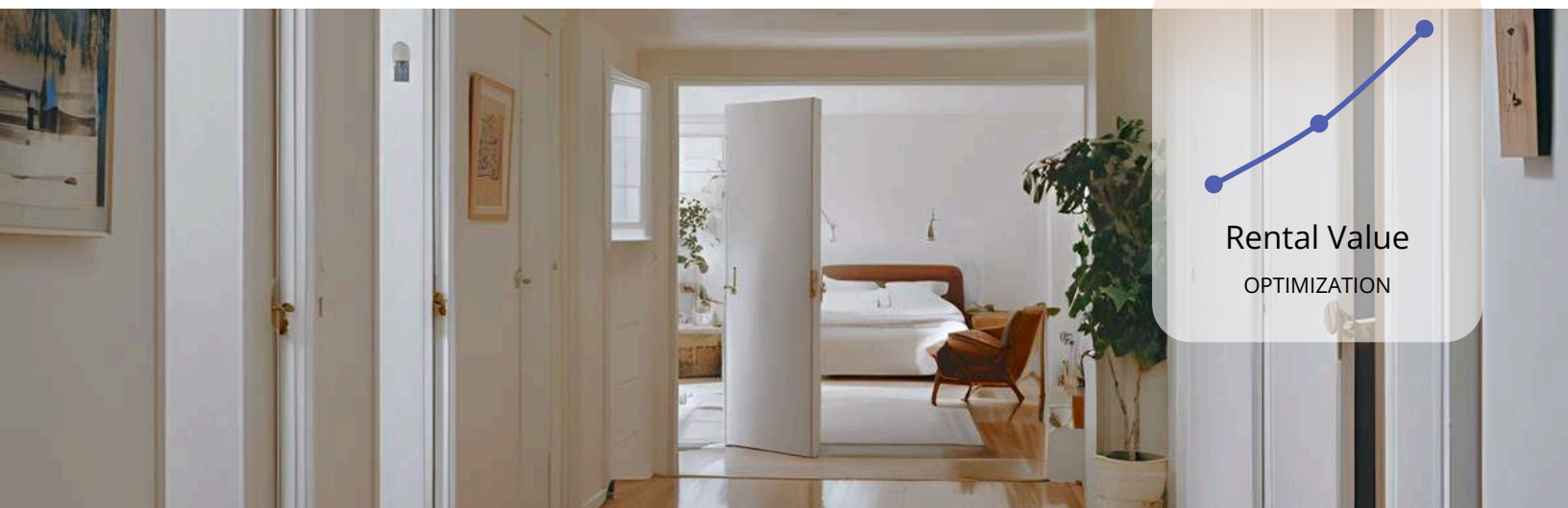
### **Factor #3: The Neighborhood**

The rental price of a property is heavily influenced by the characteristics of the neighborhood.

Key factors include the location's accessibility to amenities, safety levels, quality of schools, availability of recreational facilities, neighborhood reputation, economic opportunities, ongoing development, and demographic trends.



Understanding these neighborhood-related elements is essential for property owners and investors to set competitive and justified rental prices that align with the overall desirability of the location for potential tenants.



## How Can I Negotiate a Higher Price for My Rental Property?

Seeking an increased rent value requires careful consideration. If your property lacks appeal to potential tenants, they may be unwilling to pay a higher price for an unimproved or non-optimized living space.

### Ways to Enhance Your Rental Value

Enhancing the rental value of a property revolves around its desirability in the market. By making your property attractive and adding sought-after amenities, you can significantly boost its appeal to potential tenants. Here are several effective strategies to elevate your rental value:

- Make it more appealing with strategic renovations

Undertaking strategic renovations, particularly in key areas like the kitchen and bathroom, is a wise approach. These are high traffic living spaces and modernizing them can greatly enhance the overall appeal of your property. Prospective tenants are more willing to pay higher rent for a well-maintained and upgraded living space.

- Add additional living spaces or amenities

Converting an unused space into a livable area can be a game-changer. For instance, transforming an unfinished basement into a rental unit adds another income source.

Whether renting the entire house or just the added space, this conversion increases the overall value of your property and allows you to ask for a higher rental price.

- Convert it into a multi-unit dwelling (for small single-family homes)

For owners of small single-family homes seeking to optimize rental income, the trend of converting such properties into fourplexes has gained popularity.

This involves transforming a single-family home into a multi-unit property with four separate residences. These properties offer tenants a condominium-like lifestyle with shared amenities while still enjoying the community feel of a neighbourhood.

Converting a single-family home into a fourplex not only improves return on investment but also quadruples the rental income potential.

## **Conclusion**

In conclusion, setting the right rent for your rental property is complicated. It requires a thoughtful analysis of various factors and a proactive approach to property management (preventative maintenance, selecting great tenants, etc.).

By staying informed, making strategic improvements, and adapting to market trends, you'll be able to keep pace with market rents reflective of the value of your property, while maintaining and improving its overall condition and long-term saleability.







***Elevating and simplifying the property management  
experience, for owners and investors, since 1995***

For more information about our management, renovation or  
realty services contact us:



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