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The Residential Tenancies Branch

FACTS ABOUT

Above Guideline Rent Increases

Cette information existe également en français.
Composez le 204-945-2476.

How often can your landlord increase your rent?

Your landlord can usually increase your rent only once every 12 months. You must be given three months' prior written notice of a proposed rent increase.

What is the annual rent increase guideline?

The annual rent increase guideline is the percentage that a landlord can increase your rent without applying to the Residential Tenancies Branch for approval. The guideline limits the amount a landlord can increase rent. The government sets the guideline every year. The government usually announces the guideline for the next year in late August or early September. The guideline takes effect on January 1 of each year and applies to increases to take effect in that calendar year. The formula the government uses to determine the annual rent increase guideline can be found in the Residential Rent Regulation.

How does a landlord apply for an above guideline increase?

A landlord can apply to the Residential Tenancies Branch for an above the guideline increase if they can show that the guideline won't cover their cost increases.

To apply for an increase, your landlord must give the Branch information about their expenses. They have to show their operating expenses (e.g. property taxes, utility bills, repair costs) and their capital expenses (e.g. how much it cost to replace the roof or to buy new appliances). These expenses are for services or things for which the landlord has already paid or received bills. A landlord can't apply for an above guideline increase because they plan to do work on a residential complex or they think their operating costs might be going up. For example: If a landlord plans to re-surface the parking lot at a complex next year, they can't apply for an above guideline increase now to cover the cost of the work.

What does the Branch consider before it issues an order setting rent?

The Branch follows *The Residential Tenancies Act* and its regulations when setting rent. It considers:

- increases or decreases in operating expenses (for example: property taxes, utilities, repairs and maintenance);
- capital expenditures (for example: the cost of replacing a roof or buying new appliances); a landlord can include part of these costs in an application (see the Residential Rent Regulation for more information);

- deferred maintenance – when repair and maintenance costs appear to have increased because of lack of proper or adequate maintenance in previous years;
- any changes in the services the landlord provides;
- the landlord’s deficit, if any; and
- written comments or objections from tenants about the information in the application.

The order setting the rent includes reasons so both the landlord and tenants will know how the officer arrived at the decision.

What can you do if you don’t agree with an above guideline increase?

You have the right to see and make comments on the information in the landlord’s application before the Branch sets your rent. When a landlord applies for an above guideline increase, the Branch considers the rent for each unit. Since a rent increase application has your landlord’s confidential financial information, the Branch is not allowed to give you copies of any of the material on file. You can make notes about the information.

What does the Branch do when your landlord applies for a rent increase above the guideline?

A Residential Tenancies Officer checks the information your landlord gives to the Branch to make sure they have everything needed. Sometimes the officer may ask the landlord for more information. Once the officer has all the information, they will then send a letter inviting you to come to the Branch to inspect the application. If you have any questions or concerns, you can give the Branch your comments in writing. You can write out your comments when you look at the application or send them to the Branch later. For example: If the landlord says they put new carpet in the hallways and you know they didn’t, let the Branch know. Or, if the landlord closed the swimming pool and didn’t reduce your rent, note it.

After the tenants look at the file and make comments, your landlord will have a chance to see and respond to those comments. The officer then reviews all the information from the tenants and landlord and issues an order setting the rents.

If you sign your fixed term tenancy agreement, can you still give notice to move?

Your landlord is required to give you a tenancy agreement renewal at least three months before your existing agreement ends. If you want to stay in your unit after the end of your existing agreement, you’re required to sign your new tenancy agreement and return it to your landlord at least two months before your existing agreement expires. For example: If your tenancy agreement is from January 1 to December 31, your landlord must give you a tenancy agreement renewal on or before September 30. You have to give your signed agreement back to the landlord on or before October 31.

If you *don’t* sign your agreement and return it to your landlord, they may assume you’re going to move at the end of your existing agreement. If you *do* sign, you’ll still have the right to end your tenancy later with notice of two rental payment periods. Your right to give notice is in effect from the date you receive notice that your landlord is applying for a rent increase above the guideline until 14 days after you receive the Branch’s or the Residential Tenancies Commission’s decision on your landlord’s application. Section 91 of *The Residential Tenancies Act* gives a tenant this right when a landlord applies for a rent increase above the guideline. If you choose to give notice, the Branch recommends that you give the landlord your notice in writing. See the Branch’s website for a notice form you can use.

What is a rent discount?

Some landlords offer their tenants rent discounts. Some discounts are for long-term tenants or for attracting new tenants. Others might be given for paying rent on time or for living in a unit for a set period of time, like one year.

A landlord is not required to offer you a rent discount. If they do give you a discount, it's a private arrangement between you and your landlord. The landlord must include details of your discount in your written tenancy agreement. The landlord can only remove your discount or reduce the amount of your discount if they give you three months' written notice.

If your landlord decides to stop offering a rent discount, it's not considered a rent increase. For example: The allowable rent on your unit is \$550.00 per month. You only pay \$520.00 because you have a rent discount. When your landlord gives you your tenancy agreement renewal, it shows you must pay \$550.00 per month when your new agreement starts. Since \$550.00 was always the allowable rent on your unit, taking away the discount is not a rent increase.

When your landlord increases your rent, they calculate the increase on the allowable rent for your unit, not on the actual rent you might pay. Using the above example, when your landlord increases your rent, they would apply the rent increase guideline or the amount of your increase to \$550.00, not \$520.00.

If you have questions about a rent discount, you should talk to your landlord.

Your rent is supposed to go up next week. The Branch hasn't issued an order setting your rent yet. How much rent should you pay?

The Branch's goal is to issue an order setting rent before the rent increase date or within 90 days of receiving the rent increase application. But, sometimes there may be a delay. If this happens, you must pay the proposed rent your landlord showed on your Notice of Increase in Rent. If the Branch issues an order that sets your rent at a lower amount, *The Residential Tenancies Act* requires your landlord to refund your rent overpayment. Your landlord may give you a cheque for the overpayment or tell you to deduct the amount from your next month's rent.

What happens if you or your landlord don't agree with the Residential Tenancies Branch's Order?

Both you and your landlord can appeal the order to the Residential Tenancies Commission. To file an appeal, you send a letter to the Commission. There's no charge to file this kind of appeal.

When a landlord or tenant appeals, the Commission sets up a hearing. At the hearing, a landlord representative, a tenant representative and a neutral commissioner will hear the information from the landlord and the tenants. After the hearing, the Commission will issue an order setting rent(s). If the landlord appealed the Branch's order, the Commission's order will deal with all the units in the complex. If the appeal was by a tenant or tenants, the Commission's order may apply only to the units of the tenants who appealed or to all the units in the complex. The Commission's order is final.

For more information

This fact sheet is only a brief explanation. For more detailed information contact:

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This information is available in multiple formats upon request.