



CLEO

Community Legal Education Ontario
Éducation juridique communautaire Ontario

RENT INCREASES

CANADIAN LANGUAGE BENCHMARK 5+

This activity kit, designed to teach newcomers to Ontario in Adult ESL and LINC classes about their legal rights and responsibilities, includes:

<u>Introductory notes for instructors</u>	<u>1</u>
<u>Activities for learners</u>	<u>2-10</u>
<u>Teaching notes with answer keys and suggestions for using the kit</u>	<u>11-12</u>

Visit www.cleo.on.ca to download these pages and to find other legal information.

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RENT INCREASES

INTRODUCTORY NOTES

Context outcomes Understand what guideline and above-guideline increases are. Learn about legal and illegal deposits and charges, and the importance of getting receipts. Know what to do if a landlord breaks a rent increase rule.

CLB outcomes

-  Show comprehension of a one-page excerpt from a booklet.
-  Take notes from an oral presentation or a page of written information.

Activities Rent increases: Jigsaw activity

Orientation to the booklet

Rent increases: Review

Free companion resource
Rent increases

The information in this activity kit is based on the CLEO publication called *Rent increases*. Read the publication before using the activity kit, and keep it on hand for reference as you guide learners through the activities. You can find it on CLEO's web site at www.cleo.on.ca. To order free copies for your class, you can use the online order form or call **416-408-4420, extension 33**.

Please take note

The information in these activities applies to most but not all tenants. The *Residential Tenancies Act (RTA)* applies to most rental housing in Ontario. Some rental housing is not covered. For example, a tenant who shares a kitchen or bathroom with the owner or a close family member of the owner might not be covered. Learners should get legal advice if they have concerns.

The information in these activities is not a substitute for legal advice. Every situation is different so learners with concerns should get legal help. Tenants can contact their local community legal clinic. To find the nearest community legal clinic, check Legal Aid Ontario's web site at www.legalaid.on.ca or phone **1-800-668-8258** (toll-free). In Toronto, phone **416-979-1446**.

A. Guideline increases

There is usually **no limit** on how much rent landlords can charge new tenants when they first move in. So your starting rent will be whatever you and the landlord agree on. To increase your rent or add other charges, your landlord must follow the rules in the Residential Tenancies Act.

There are **3 main rules** your landlord must follow to raise your rent:

12 months apart:

After you move in, your landlord must wait at least 12 months before raising your rent. And any increases after that also must be at least 12 months apart.

90 days' written notice:

Your landlord must give you a written notice at least 90 days before your rent goes up. To do this, your landlord should use one of the notice forms from the Landlord and Tenant Board. If your landlord does not use a Board form, the notice must include all the information that is on the Board form.

Guideline amount:

By the end of August each year, the provincial government announces the guideline for rent increases for the next calendar year. Your landlord has the right to raise your rent by this amount.

The guideline for **2009** is **1.8%**, and for **2010** it is **2.1%**.

KEY POINT

You do not have to pay a rent increase that does not follow these rules. If you do pay it, you can apply to the Board to get your money back. In most cases, you must apply within **one year**.

EXCEPTION: If you live in **rent-geared-to-income (RGI)** or **subsidized housing**, these rules about rent increases do not apply to you. If you have a concern about your rent or your subsidy, get help from a community legal clinic.

RENT INCREASES ABOVE THE GUIDELINE

Your landlord can apply to the Landlord and Tenant Board to raise your rent by more than the guideline. This kind of rent increase is sometimes called an **above-guideline increase** or **AGI**. Your landlord must still follow the rules about waiting 12 months between increases and giving 90 days' written notice.

If your landlord makes this kind of application, try to get legal help.

A. Guideline increases

Three main rules:

1. _____ months apart

a. _____

b. _____

2. _____

Your landlord must use _____

or _____

3. _____

_____ government announces by _____

for next _____

2009: _____ 2010: _____

KEY POINT: _____

EXCEPTION: _____

_____ - guideline _____ (AGI)

B. Deposits and other charges

There is usually no limit on how much rent landlords can charge new tenants when they first move in. So your starting rent will be whatever you and the landlord agree on. To increase your rent or add other charges, your landlord must follow the rules in the Residential Tenancies Act.

Your landlord can make you pay a security deposit before you move in. This deposit cannot be more than one month's rent if you pay your rent by the month. This is often called a **last month's rent** deposit or **LMR**. If you pay your rent by the week, the deposit cannot be more than **one week's rent**.

Your landlord can use this deposit **only** as a rent payment for your last month or week. Your landlord cannot keep it or use it for any other reason, such as paying for damage or cleaning.

Your landlord owes you interest on this deposit each year. The interest rate during each calendar year is the same percentage as the rent increase guideline for that year. But instead of paying you the interest separately, your landlord can add some or all of it to your security deposit, so that your security deposit will stay the same as your rent.

Your landlord can also ask you to pay a deposit for your keys or access card, but the amount cannot be more than it would cost to replace them. Your landlord must give this deposit back to you when you move out and return the keys or card.

Your landlord can make you pay to replace your lost keys or access card, or to give you extra ones. Your landlord can also charge you a fee if you write a cheque but do not have enough money in your bank account to cover it. This is often called an NSF or bounced cheque.

Most other deposits, extra charges or advance payments are illegal. If your landlord wants you to pay for something else, try to get legal advice. For example, sometimes landlords say that if you want to get the apartment, you must buy something in it, such as curtains or appliances, or that you must pay a damage deposit, rental fee, or commission. This is illegal.

KEY POINT

Always get a receipt when you pay a rent deposit or any other charge.

If you have paid an illegal deposit or charge, you can apply to the Landlord and Tenant Board to get the money back. You must apply within one year or you may lose your right to get the money back.

B. Deposits and other charges

Deposit or charge	Notes
Security deposit	
Deposit for _____ or _____	
_____ cheque fee	

Most other _____, extra _____ or _____ payments are _____.

Example: _____

What can you do? Get _____ advice.

KEY POINT: Always get a _____ when you _____

Time limit for _____: _____

C. If you paid an illegal rent increase or extra charge

There is usually **no limit** on how much rent landlords can charge new tenants when they first move in. So your starting rent will be whatever you and the landlord agree on. To increase your rent or add other charges, your landlord must follow the rules in the Residential Tenancies Act.

If your landlord charges you an illegal rent, deposit, or other charge, you can do one or both of the following:

- apply to the Landlord and Tenant Board to get your money back.
- contact the provincial government's Investigation and Enforcement Unit.

These are separate processes. The Board and the Unit do not tell each other about the reports tenants make to them.

Applying to the Board

If your landlord breaks any of the rules about rent increases, deposits, or extra charges, you can apply to the Landlord and Tenant Board. The Board's web site address is www.ltb.gov.on.ca. You can call the Board at **1-888-332-3234** or **416-645-8080**.

The Board can order your landlord to pay back any amounts your landlord was not allowed to charge you. Usually the Board will only go back one year, so do not wait too long to apply.

If your landlord increased your rent illegally, you can also ask the Board to correct the rent. But you must do this within one year of the date that your landlord first charged the illegal rent. An illegal rent becomes legal unless a tenant applies to challenge it within one year.

Contacting the Investigation and Enforcement Unit

The provincial government has an office called the Investigation and Enforcement Unit. The Unit's job is to encourage landlords and tenants to obey the rental housing laws.

Sometimes the Unit can get your landlord to follow the rules by explaining the law to your landlord. The Unit can also lay charges against landlords who will not follow the rules. Landlords who are found guilty of charging illegal rent may have to pay a

fine to the government. If the landlord is a corporation, the fine can be up to \$50,000. Otherwise, the fine can be up to \$10,000.

If you think your landlord might be doing something illegal, you can call the Investigation and Enforcement Unit at **1-888-772-9277** or **416-585-7214**. Their web site address is **www.mah.gov.on.ca/ieu**

Where else to get help

There are **community legal clinics** across the province that give free legal help to tenants who have low incomes. To find the nearest community legal clinic, check Legal Aid Ontario's web site at **www.legalaid.on.ca** or phone their toll-free number, **1-800-668-8258**. In Toronto, phone **416-979-1446**.

C. If you paid an illegal rent increase or extra charge

What can you do?

1. _____

Notes about illegal charges: _____

Notes about illegal rent increases: _____

2. _____

Unit's purpose: _____

Action it can take:

a. _____

b. _____

Agency	Web site	Phone number

Orientation to the booklet

Answer these questions about the CLEO booklet *Rent increases*.

1. What kind of information is on the front cover of the booklet?
2. What is the acronym on the front cover? What does it stand for? (see back cover)
3. What word is used for *booklet* on the back cover?
4. Is reading the booklet a substitute for consulting a lawyer? Why or why not?
5. Where is the date of the booklet? Why is it important?
6. What is the Discard List?
7. How can people get more booklets?
8. What is on the first page of text inside the booklet?
9. What is the last section of the booklet?
10. Which of these features does your booklet use? How do they help your understanding of the information in the booklet?
 - Table of contents
 - Page numbers
 - Section headings and subheadings
 - Colour
 - Bold type
 - Bullets
 - Italics
 - Key point box
 - Exception box
 - Definition box
 - Chart / table
 - Other:

Rent increases: Review

Answer these questions based on the CLEO booklet *Rent increases*.

1. How often can landlords raise rent?

2. How much written notice does a landlord need to give?

3. Who sets the guideline amount for rent increases?

4. Can landlords ever raise rent by more than the guideline amount?

5. What can a security deposit be used for?

6. Give an example of an illegal deposit or charge.

7. What can you do if your landlord charges illegal rent?

8. Where can tenants with low incomes get free legal help?

9. Why do you think it's important to get a receipt?

10. What's one thing you learned about rent increases or deposits and other charges that you didn't already know?

TEACHING NOTES

Curriculum connections

LINC / Adult ESL:

Theme: At Home in Our Community & World

Topic: Housing Problems

Theme: Canadian Law

Topic: Landlords & Tenants

Theme: Community & Government Services

Topic: Counselling & Advocacy

LINC 5-7:

Unit: Notetaking and Study Skills

Unit: Resolving Conflicts

Unit: Reading Articles, Stories and Reports

Unit: Policies, Procedures and Legislation

Unit: Presentations

Rent increases: Jigsaw activity (pages 2-8)

Introduce the topic of rent increases by eliciting and discussing what learners already know about the law regarding setting rent when tenants first move in, deposits and other charges, and rent increases.

The three texts in this activity are adapted excerpts from the CLEO booklet *Rent increases*. A note-taking “organizer” has been provided for each text, to assist in the development of note-taking skills.

The three texts are:

- A. Guideline increases** (pages 2-3)
- B. Deposits and other charges** (pages 4-5)
- C. If you paid an illegal rent increase or extra charges** (pages 6-8)

Suggested procedure:

- a. Learners form groups of three. Give each group member a different text (A, B, or C) along with the corresponding organizers.
- b. Learners with the same text and organizer form “expert” groups. They work together to complete their organizer and discuss how best to use it for presentation in their original group. You can check responses and encourage learners to try out their presentations and give each other feedback.
- c. You may wish to suggest that learners come up with one or two questions for discussion based on the information in their text.

- d. When learners are ready they can return to their original groups in which they will be the “expert” on their text. Learners distribute two blank copies of their organizer to the other two group members. They take turns presenting the information they have prepared. The letters on the texts indicate the order in which they should present. The other two learners in the group use their blank copies of the organizer to take notes as they listen.

Note: More advanced learners may wish to do this activity as a jigsaw without using the organizers. Learners can decide in their “expert” groups how they will present the main points of their text to the members of their original groups. They should be encouraged to not simply read their text to the others in their group.

Orientation to the booklet
(page 9)

Distribute the CLEO booklet *Rent Increases*. **Orientation to the booklet** can be used as a guide to highlight the main content and helpful features of the booklet. You can use it for your reference in guiding a class discussion, or you can hand out **Orientation to the booklet** to learners. The questions can help learners develop reading strategies that enhance their comprehension by helping them get a sense of the organization and main thrust of the text.

Once learners are familiar with the booklet, they can use it to check their organizers for accuracy.

As a whole class, reinforce main points, make note of remaining questions and encourage learners to explore the booklet for answers.

Rent increases: Review
(page 10)

This activity can be used to guide an instructor-led review, or as a quiz. Alternatively, learners could be asked to design 3 or 4 questions based on their section of the text, which could then be used for review by the whole class.

Extension: Learners can practise calculating guideline rent increases.

Extension: Instructor can provide, or learners can access, Landlord and Tenant Board Form N1, Notice of Rent Increase Form. The form can be found at www.ltb.gov.on.ca