



**TOWN OF FORT FRANCES
ADMINISTRATION & FINANCE DIVISION
TREASURY REPORT 2013/110**

TO: Mayor Avis & Members of Council
FROM: Laurie Witherspoon, Treasurer
DATE: November 20, 2013
SUBJECT: 501 Sixth Street W. – Rental Property

BACKGROUND

The Town of Fort Frances owns property located at 501 Sixth Street W. of which has been leased continuously to one tenant since October 1, 1986. The tenancy lease in 1986 started at \$250.00/month, with periodic increases throughout time to the present lease in the amount of \$373.72. By-Law No. 09/13 authorizes the present lease agreement for the period of March 1, 2013 to February 28, 2014 with Jane Peterson.

In accordance with the rent increase guidelines, the rent of a unit can be increased if at least 12 months have passed since the tenant first moved in or since his or her last rent increase. The tenant must be given proper written notice of the rental increase of at least 90 days before the rent increase takes effect. Each year the Ontario government announces the province's rent increase guideline, being the maximum percentage by which a landlord can increase the rent for residential tenants without approval from the Landlord and Tenant Board. Generally, a landlord can only increase the rent by the percentage listed in the rent increase guideline; the 2014 guideline is 0.8 per cent and the earliest that the rent increase could take effect is March 1, 2014 (increase from \$373.72 to \$376.71).

Currently the annual rental amount is \$4,375.20, with the tenant paying hydro and water costs. The property does not have sewer service as it has a septic field system. The proposed 0.8% equals to a \$2.99 monthly increase and would raise the annual rental to \$4,520.52. Notice must be given on or before December 1/13 to meet the 90 days notice provision.

RECOMMENDATION

The Administration & Finance Executive Committee recommends approval of the allowable 0.8% rent increase for 2014, covering the period from March 1, 2014 to February 28, 2015 for residential property located at 501 Sixth Street West and further that a lease agreement with Jane Peterson and authorizing by-law be prepared.

Council Approval of this Report Will Agree to the recommendation of the Administration & Finance Executive Committee to approve rent increase of 0.8% for 2014 for residential property located at 501 Sixth Street W. Further, that a lease agreement with Jane Peterson be approved for the period of March 1, 2014 to February 28, 2015 and that an authorizing by-law be prepared.

**Notice of Rent Increase
Form N1**

Read the instructions carefully before completing this form.

To: (Tenant's name and address) JANE PETERSON	From: (Landlord's name and address) THE CORPORATION OF THE TOWN OF FORT FRANCES
Address of the Rental Unit: 501 Sixth Street West Fort Frances, ON P9A 3E8	

**Your New
Rent**

On 01 March 2014 , your rent will increase to \$ \$376.71
(day/month/year)
per Month .
(month, week, etc.)

This rent includes the basic rent for your rental unit, plus any amount you pay separately to your landlord for services.

**Explanation
of the Rent
Increase**

This is a rent increase of: \$ 2.99 per Month or 0.8 %.
(month, week, etc.)

Shade one of the following:

☒ This rent increase is less than or equal to the rent increase guideline and does not need approval by an order under the *Residential Tenancies Act*.

OR

☐ This rent increase is more than the rent increase guideline, but:

1. ☐ The rent increase has been approved by an order under the *Tenant Protection Act* or the *Residential Tenancies Act*.
2. ☐ The rent increase must be approved by an order under the *Tenant Protection Act* or the *Residential Tenancies Act*. I have applied to the Tribunal or the Board for a Rent Increase Above the Guideline.

**Important
Information
About the
Law**

1. The landlord must give the tenant this notice at least 90 days before the date of the rent increase. A landlord may increase the rent if at least 12 months have passed since the last rent increase or since a new tenant moved into the rental unit. No Notice of Rent Increase is required where the landlord and tenant have signed an Agreement to Increase the Rent Above the Guideline (Form N10).
2. A tenant does not have to sign a new lease when a fixed term tenancy ends. If the tenant decides not to sign a new lease, the tenant does not have to move, but the tenancy becomes "month-to-month".

If a tenant plans to move, the tenant must notify the landlord on Form N9 (Tenant's Notice to Terminate the Tenancy) at least 60 days before the lease expires if the tenant has a fixed term of tenancy or 60 days before the end of a monthly or yearly rental period. The tenant must notify the landlord on Form N9 at least 28 days before the end of a weekly rental period.

3. If the rent increase needs approval by an order under the *Tenant Protection Act* or the *Residential Tenancies Act*, the tenant is not required to pay more than the guideline increase until the order is issued. If the tenant only pays the guideline increase, the tenant may owe the landlord once the order is issued.
4. If you have any questions about the law related to rent increases and how it applies to this notice, you can contact the Landlord and Tenant Board at **416-645-8080** or toll-free at **1-888-332-3234**. Or, you may also visit the Board's website at **www.LTB.gov.on.ca** for further information.

Signature

☒ Landlord ☐ Agent

Name of Person Signing Laurie A Witherspoon	Phone Number 807 274 5323 Ext 248
Signature	Date

Agent Information (if applicable)

Name		Company Name (if applicable)	
Mailing Address		Phone Number	
Municipality (city, town, etc.)	Province	Postal Code	Fax Number



Landlord's Self-Help Centre

Annual Rent Increase Guideline

Rent control in Ontario was first introduced in 1975 as a temporary measure.

The current formula used to determine annual rent increase guidelines was developed and implemented by the Liberal government.

Bill 19 came into force in 2012 and capped the annual rent increase guideline beginning in 2013 to a maximum of 2.5%. There is a provision for review in 4 years.

Ontario landlords have the benefit of vacancy de-control which means when a rental unit becomes vacant they can adjust the rent current market levels when renting to a new tenant.

A recent LSHC survey found 66.9% of landlords (240 polled) did not know about exemptions to the annual rent increase guideline.

The Ministry of Municipal Affairs and Housing announced the **2014** rent increase guideline at **0.8%**.

The annual rent increase guideline is determined according to section 120 (2) of the *Residential Tenancies Act, 2006* which averages the monthly Ontario Consumer Price Index over a twelve month period that ends at the end of May of the previous calendar year. If the guideline amount exceeds 2.5% it will be reduced to 2.5%, the maximum amount but which rents may be increased when taking a guideline increase.

If an increase of more than 2.5% is required, the landlord must follow the process to seek approval for an Above Guideline Increase.

The 2014 guideline applies to rent increases that will be taken between January 1, 2014 and December 31, 2014. Landlords may increase rents once every 12 months for sitting tenants by the guideline amount without seeking approval from the Landlord and Tenant Board. Landlords must provide 90 days written notice using the prescribed LTB Form N1.

Exemptions from the Annual Rent Increase Guideline:

The annual guideline applies to most, but not all residential rental properties in Ontario. The Act lists situations, in section 6 (2), in which a landlord may increase rent to an amount that is not limited to the guideline amount.

The provisions of the RTA that deal with the maximum amount by which rents can be increased do not apply with respect to a rental unit if:

- **it was not occupied for any purpose before June 17, 1998** - meaning *it is either in a new building (often a condominium building) built since 1998, or an older building with a new unit or never occupied, residentially or otherwise, before June 17, 1998;*
- **it is a rental unit no part of which has been previously rented since July 29, 1975** - meaning *only the owner has used or occupied the unit since 1975; or*
- **no part of the building, mobile home park or land lease community was occupied for residential purposes before November 1, 1991** - meaning *the building was probably commercially used before 1991 and then was converted to residential use.*

In the above situations, an N2 rent increase form can be given when increasing the rent **by any amount**. In most other situations (unless the rent increase is by agreement of both parties) an N1 form should be given to increase rent only by the guideline.

Landlords are required to provide 90 days written notice when increasing the rent using either the N1 or N2 form, available online at: http://www.ltb.gov.on.ca/en/Forms/STEL02_111311.html

Guideline History

2014 - 0.8%
2013 - 2.5%
2012 - 3.1%
2011 - 0.7%
2010 - 2.1%
2009 - 1.8%
2008 - 1.4%
2007 - 2.6%
2006 - 2.1%
2005 - 1.5%
2004 - 2.9%
2003 - 2.9%
2002 - 3.9%
2001 - 2.9%
2000 - 2.6%